

Financial Reforms In Italy Open Way For Foreign Banks

MILAN — A cabinet committee, in one of the most sweeping overhauls of Italy's banking laws since 1936, has empowered the nation's banks to expand through acquisitions and has given foreign banks the right to start operating anywhere in the country.

Communal Clashes Kill 13 in India

NEW DELHI — Moslems carrying daggers and swords stormed out of India's largest mosque Friday and attacked Hindus in the adjacent center of Delhi. Officials said 4 persons were killed and 134 injured.



Lise Lesèvre, left, and Simone Lagrange, arriving Friday at the Palais de Justice in Lyon to testify at the trial of Klaus Barbie. They recounted how they had been tortured in 1944.

Recalling Barbie: At Trial, Woman Describes Days of Torture at Age 13

LYON — The court trying Klaus Barbie was still silent Friday as Simone Lagrange recounted how, as a 13-year-old girl in Lyon 43 years ago, she was beaten senseless by the former Nazi officer, who was trying to force her to disclose the whereabouts of her brother and sister.

NATO Expected to Back Modified Arms Proposal

PARIS — The NATO allies are moving toward accepting a modified version of the Soviet Union's offer to remove its medium- and short-range nuclear missiles from Europe if the United States does the same, officials say.

Arms Talks in Geneva Shift Into High Gear

GENEVA — It is only a two-minute car ride from the Soviet mission at the bottom of the curving Route de Pregoy to the U.S. mission at the top — two stone complexes with high walls where, one might argue, the fate of mankind is being negotiated.

Foreign Minister Hans-Dietrich Genscher's Free Democrats favor the offer while Mr. Kohl's Christian Democrats fear it would leave West Germany exposed in the superior might of the Warsaw Pact.

Intimacy has become a virtue as the Geneva nuclear arms talks, which began two years ago, have shifted into high gear. There is a palpable sense among the U.S. and Soviet negotiators that an agreement can be clinched.

'We talk about skiing and jogging and whatever,' before getting to the meaty substance of negotiations.



Mozart Autograph Symphonies Sell for £2.6 Million

A 508-page volume of nine symphonies by Mozart was sold Friday in London for a record £2.6 million including premium.

Experts Explain Why Stark Was Vulnerable

WASHINGTON — Naval experts, describing how Iraqi missiles could have slipped past the defenses of the U.S. frigate Stark, have provided details indicating that other ships in the Middle East Task Force could be vulnerable to a similar attack that was not clearly anticipated.

Kiosk U.S. Economy Grows by 4.4%

The U.S. economy grew at an annual 4.4 percent rate in the first quarter of 1987, the Commerce Department said Friday.



This needlepoint cushion design is a creation of Kaffe Fassett, a San Franciscan in London, who has built a reputation producing sweaters and knits of intricate color and texture. Page 6.

Israeli Wins a Delay On Iran Arms Testimony

WASHINGTON — The Israeli government, with the apparent backing of the State Department, succeeded Friday in delaying a special prosecutor's subpoena for grand jury testimony from David Kimche, a former top Israeli diplomat who was a key early link with the White House in the secret sale of arms to Iran.



David Kimche

leaving. As you can see, I'm not appearing before the grand jury today. I can leave the country when I want and come back when I want.

To Astronomers, 'Eiffel Moon' Is a Villain

PARIS — A proposal to give Paris's best-known landmark a starring role in space is creating another version of Star Wars, with the Eiffel Tower company cast as the Evil Empire by astronomers who fear their research into the origins of the universe may be jeopardized.

'Do the people of Paris want to be remembered as the people who stopped research into optical astronomy?' — Paul Murdin, British astronomer

GENERAL NEWS ■ A U.S. inquiry turns to Edwin Meese's role in lobbying for the plane manufacturer Fairchild Industries. Page 3.

ratified by the Senate before President Ronald Reagan leaves office. It is generally accepted that it must be drafted and submitted to the lawmakers by March or April of 1988.

Each side has submitted a draft treaty. The negotiators then disassembled both documents and put their parallel articles side by side to prepare "joint working texts."

"None of this goes rapidly," said a U.S. negotiator, explaining the process of "eliminating the brackets" — finding words that are acceptable to both sides.

The Soviet treaty is known to be much less detailed and exhaustive than the U.S. one on the crucial issue of verification. It is not clear whether both sides will retain 100 medium-range warheads far from the European front, and the sensitive issue of shorter-range missiles is being openly debated in West Germany and within the North Atlantic Treaty Organization.

Drafting groups are also at work in the two other realms of the Geneva talks — on strategic weapons and space defenses. The Americans submitted a draft treaty on May 8 calling for a 50-percent reduction of intercontinental missiles, and the Soviet side has been asking questions about it while promising that a Soviet proposal is being prepared in Moscow.

But in the U.S. delegation, no one disputes that Mr. Gbitman, a compact and precise man with a taste for three-piece suits, is the hare in the three-cornered race and that none of the tortoises seems very confident of overtaking him.

"The important thing we've been trying to decide," said an American in the slower track, "is where the Soviets' bottom line is, and to tell See GENEVA, Page 5

Dow close: UP 17.43 The dollar in New York: DM £ Yen FF 1.782 1.668 140.85 5.9575

WORLD BRIEFS

Polish Historian Seeks to Evaluate, Exploit Gorbachev's Reforms

By Jackson Diehl
Washington Post Service
WARSAW — Adam Michnik has spent most of the 1980s in a prison cell, a symbol both of Poland's defiant opposition movement and the intolerance of its Communist government.



Adam Michnik, the Polish writer, says the Soviet reform effort should be stimulated.

Now, only 10 months after being released in an amnesty, he finds himself grappling with the issue of whether the system that imprisoned him is moving toward real change under Mikhail S. Gorbachev, the Soviet leader.

The question is one that is facing a generation of opposition activists and intellectuals in Eastern Europe who have spent their lives struggling against Soviet-backed Communist rule. And it is one for which Mr. Michnik, as the increasingly renowned theoretician of Poland's democratic opposition, has a particular standing of authority.

So far, said Mr. Michnik, 40, he is counseling that Mr. Gorbachev's reform drive be stimulated rather than dismissed. "One shouldn't say that nothing changes in Russia," he said. "One should up the ante."

At the same time, Mr. Michnik, a historian, leaves no doubt about the criteria by which he believes Mr. Gorbachev should be judged. "The only real measure of change," he says, paces up and down a room with a gain learned from prison, "is improvement in human rights. If Gorbachev really wants to show that he rejects militarism and imperialism, then he must allow people to live freely in their own societies."

The mixture of political flexibility and moral certainty, of high-minded rhetoric, is the trademark of this man who, perhaps better than any of his peers, has managed to combine the roles of intellectual and activist in a Communist-ruled country.

In the West, Mr. Michnik's reputation has grown in recent years as one of Europe's most original political thinkers, a formulator and principal defender of the nonviolent resistance to totalitarianism embodied by the banned Solidarity union movement.

In Poland, meanwhile, he remains a dynamo of opposition or organization, a spokesman, adviser, instigator and coordinator. He seems to spend many of his days rushing from political meetings to briefings with diplomats to underground encounters with clandestine printers and publishers.

Sweden Bans Trade With South Africa

STOCKHOLM (Combined Dispatches) — The Riksdag, Sweden's parliament, approved a trade boycott of South Africa and South-West Africa on Friday. The vote was 234-66. The measure becomes law July 1, and companies have until Oct. 1 to comply, legislators said.

The government proposed the ban in March. It exempts certain goods, such as medical supplies and printed matter. It does not require Swedish companies to remove investments from South Africa and South-West Africa, or Namibia.

South Africa Convicts 10 of Terrorism

JOHANNESBURG (AFP) — A regional commander of the African National Congress guerrilla group and a senior member of the United Democratic Front of anti-apartheid organizations were among 10 persons convicted of terrorism Friday in two trials.

In Cape Town Supreme Court, three black and three mixed-race men were convicted of terrorism. One, Lizo Bright Nqunwana, was leader of the western Cape division of the ANC's military wing. Seven other men were found guilty of harboring or assisting suspected terrorists.

Swaziland Arrests 6 in Royal Family

MBABANE, Swaziland (Combined Dispatches) — The police have arrested 13 persons, including a cabinet minister and five other members of Swaziland's royal family on charges of sedition and treason, the police commissioner said Friday.

The 13 persons arrested Thursday are believed to be supporters of Prince Mfananzili Dlamini, who effectively ruled the kingdom before King Mswati III assumed the throne in April last year.

NASA Urges Own Orbiter For Military

WASHINGTON — The National Aeronautics and Space Administration has suggested that the Defense Department should consider building its own space station, a move that could ease growing concerns in the United States and abroad over possible military uses of NASA's proposed space station.

The suggestion was made Thursday by Dale D. Myers, deputy administrator of the space agency, in a speech to a symposium of the Air Force Association in Colorado Springs. The space agency released a text of the speech in Washington.

Mr. Myers suggested that demands for use of the space station by civilian, military and international customers might become so great that the Defense Department "may very well want to begin thinking seriously about a dedicated space station of its own, possibly in polar orbit."

"Now is the time for a serious, long-term look" at the department's future requirements in space, he said.

Mr. Myers did not link his suggestion to recent developments in which foreign governments have balked at cooperating in the space station project if it is to be used for clearly military purposes. Indeed, the suggestion was made in the context of a speech stressing the importance of continued civilian and military cooperation in space.

Shirley M. Green, director of public affairs for NASA, said the suggestion was "not a response" to the outcry over alleged militarization of the space station. Instead, she said, it was a recognition that the air force space program has been growing rapidly and that the proposed NASA space station, to be launched in the mid-1990s, may not be able to meet all the needs envisioned by military planners.

The Pentagon has not yet identified any specific uses it would make of the space station, but has been studying possibilities.

Another NASA official said, however, that a separate military space station would inevitably help reduce complaints that the NASA space station was in danger of being dominated by the defense department.

"If they had their own space station they wouldn't mess ours up," the official said.

Defense Department spokesmen had no immediate comment on the proposal, but the air force is known to have considered the possibility of a military space station over the years.

Swiss Arrest French Ex-Casino Boss

BELLINZONE, Switzerland (AFP) — The Swiss police have arrested the former head of a Nice casino who fled France and was later convicted of fraud, the police said here Friday. They said that Jean-Dominique Fratoni, 64, who has been wanted in France since 1980, was being held in Lugano after his arrest Wednesday for staying in Switzerland longer than three months without a residence permit and for "unauthorized activities."

Mr. Fratoni fled France after the Ruhl casino in Nice closed amid allegations of racketeering and suspicious over the disappearance of Agnes le Roux, a major shareholder in another Nice casino that he took over in 1977. He was sentenced to 13 years in his absence for fraudulent bankruptcy and infringing company law. The French authorities are claiming almost \$60 million from him in back taxes and illegally transferred funds. The Ruhl casino reopened early this year.

For the Record

The defense in the trial of Bernhard H. Goetz began its case Thursday with a witness who saw him being kicked and beaten in New York in 1981. Mr. Goetz, charged with attempted murder and assault of four young men in a subway car, has said the 1981 incident directly led to his carrying the unlicensed gun with which he shot the young men three years later. He contends they were about to rob him. (UPI)

TRAVEL UPDATE

Air Inter Attendants Call Off Strike

PARIS (Reuters) — Flight attendants on Air Inter, the French domestic airline, canceled on Friday a strike over serving free tea and coffee during flights. A walkout would have grounded half the company's flights Sunday and Monday.

The attendants' union said it had asked a Civil Aviation Authority official to mediate. The union has said that some Air Inter flights are too short for the drinks to be served and wants a trial period.

Meanwhile, Air Inter pilots and navigators said they will walk off the job Wednesday and Thursday to protest the company's plans to operate its new Airbus jets with a cockpit crew of two instead of three.

Portuguese train engineers held their third 24-hour strike in three weeks on Friday, halting rail services and causing traffic jams around the cities of Lisbon and Porto, police sources said. (Reuters)

Dissidents Test Glasnost, Propose Radical Journal

By Gary Lee
Washington Post Service
MOSCOW — A group of newly released political prisoners, heeding the Kremlin leadership's exhortations for Soviets to speak out, is seeking official permission to publish a periodical of news and opinion called Glasnost to supplement the state-controlled media.

The publication, if approved, would be the first such Soviet publication not under governmental control. Its title is taken from the word used by Mikhail S. Gorbachev for "openness" and its fate is viewed as a major test of the leader's policy of encouraging free speech and criticism.

"In contrast to our past activities, we are not seeking confrontation with the authorities," said Sergei Grigoryants, 45, the chief editor and organizer. Mr. Grigoryants was released from prison in February after serving three and a half years for editing the underground human rights publication Bulletin V.

"We are trying to fill gaps in what is already available, supplying information on areas that are not covered or only partially covered," he said. "The things we're interested in do not appear elsewhere. We're trying to take advantage of glasnost."

"We want to go through all the legal channels," he said. "We don't want to do anything secretly or underground." But he added, "If we don't get official approval, we will print it anyway. It will be more difficult, but we will do it."

The attempt to publish Glasnost comes in conjunction with what some Soviets have described as an outpouring of articles and literary works circulating in samizdat, or clandestine publications, following official encouragement of greater openness and civic involvement.

The appeal of former political prisoners for official permission is part of a potentially taxing issue for the Kremlin leadership: what to do with the 150 political prisoners pardoned and released in February. Many are eager to resume writing or organizing around such issues as human rights, for which they were initially imprisoned.

The editors of the proposed journal have asked to present a pilot edition of Glasnost next week to Alexander Yakovlev, an aide to Mr. Gorbachev, a nonvoting member of the ruling Politburo and an architect of the glasnost campaign. The issue consists of unpublished speeches, notes on gatherings and exhibits taking place in the capital, and opinion pieces.

It includes a speech by a senior procurator documenting corruption in outgoing Soviet republics, an expose of foot-dragging in a Moscow factory on the leadership's reforms, an update of the situation of the 150 political prisoners released in February and a profile of Ivan Fedorchuk, a Baptist imprisoned in 1983.

Mr. Grigoryants said the organizers have "no objection" to the publication being regularly presented to Glavlit, the official censorship organization, whose main role is to control pornography or military secrets.

The scope of material presented in the journal would be wide, Mr. Grigoryants added, but would focus on human rights, the environment, Jewish affairs and other religious themes. These are areas not dealt with in existing publications, Mr. Grigoryants said.

The journal is scheduled for publication three times a month. Mr. Grigoryants said the organizers have already collected enough material for 15 issues. Initial circulation would be limited to 100, he said, but would expand gradually.

The editors have gained the backing of Andrei D. Sakharov, the dissident physicist released from internal exile in December. Mr. Sakharov has agreed to appear at a press conference that the organizers plan to hold after they discuss the journal with Soviet officials.

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By Philip M. Boffey
New York Times Service
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Above the Fray, Barre Rides High in France

By Edward Cody
Washington Post Service
CHARLY, France — If you think fruit marketing is poorly organized in France, Raymond Barre told the fruit growers here, think up something better and let me know.

If you think business taxes should be lowered, Mr. Barre told businessmen at a banquet that evening, don't kid yourselves; there is little room for broad tax cuts soon in France.

Those who are happy with me, good," Mr. Barre said about his refusal to get involved in a dispute raised by a far-right party over immigration policy. "And for those who are not, too bad. I will not join the cacophony."

Mr. Barre, an economics professor who was France's prime minister from 1976 to 1981, is running for president in his caustic way.

By building a reputation as someone who floats above ordinary political grist and refuses to cater to voters, he has emerged as the leading conservative candidate for the 1988 presidential elections.

His ascension in popularity polls has defied most political rules. Rather than telling the French what they want to hear, Mr. Barre has made a career of telling them what he thinks they ought to hear.

To the chagrin of Prime Minister Jacques Chirac and the governing conservative coalition, Mr. Barre, 63, has done so outside the country's traditional political parties and in disdain of the combative Parisian political scene.

"I won't hide from you that this amuses me a lot," he said. "I am all alone and they are all trembling because of me."

Mr. Barre's policies of economic austerity as prime minister were widely criticized as heartless. In the view of many commentators, they contributed heavily to President Francois Mitterrand's Socialist victory in 1981. But since then, and largely by lecturing the public on the same economic themes with professional authority, he has acquired a paternal but stern image that many Frenchmen seem to feel comfortable with.

"He is something of a father figure," said Dr. C.R. Michel, a medical professor and Barre supporter in Lyon, "and Frenchmen like to turn to a father in times of trouble."

Mr. Barre, who remains a National Assembly member from Lyon, attributed much of his national following to the very policies that were widely decried in the late 1970s. The French remember what he had advised then, he said, and they realize now that he was right.

"I am not inspired by a mad desire to have a political career, so I will not change," Mr. Barre said. "Frenchmen will accept me only if they believe we have to have serious policies."

Mr. Barre has maintained his opposition to the power-sharing arrangement between the conservative prime minister and the Socialist president, which has been in existence since the Socialists lost control of the National Assembly in March 1986, even though most Frenchmen appear to like the arrangement.

Mr. Barre's followers acknowledge there is little ideological difference between Mr. Barre and Mr. Chirac, whose party, the Rally for the Republic, leads the coalition that controls the National Assembly. Both profess economic conservatism.

But Mr. Barre, they argue, is more presidential because he appears more stable and less inclined to follow shifting political winds.

What Mr. Barre's followers praise as confidence and consistency, however, have been condemned by opponents as pomposity and rigidity.

"He is detestable," said a Socialist leader in a private conversation. "He goes around acting like de Gaulle."

CHURCH SERVICES

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FIRST BAPTIST CHURCH, English speaking, Sun, 9:00, Roggenweg 7, (Ph. 3,3716), Dr. H.L. Robinson, Min. Tel. (91) 175726. D.A.U./S.A.C./R.B.C.

STOCKHOLM
IMMANUEL CHURCH, Kingstorp, & Birger Jarl, Friendly church, Swedish, Sun, 10:00, Swedish & Korven 11:00, Tel. (08) 151225, 8 316051.

WEST BERLIN
ENGLISH LANGUAGE SERVICE, Kaiser-William Memorial Church (Chapel), Kurfurstendamm, 10:30 a.m. (Sunday) Tel. (833) 8120201.

HOLLAND
TRINITY BAPTIST S.S. 9:45, Worship 11:00, nursery, warm fellowship. Meets at 1:30, Westmore Cultural Center, Marlborough 75 in Westmore. Tel. 01791-78024.

To place an advertisement in this section please contact: Ms Elizabeth HERWOOD 181 Ave. Ch.-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: 46.37.93.84.

TOWER: To Astronomers, 'Eiffel Moon' Is a Villain

(Continued from Page 1)
century just as the Eiffel Tower symbolized our entrance into the 20th century."

He emphasized that the project, the result of an international competition last year, was still on paper and that the space ring was being developed in close cooperation with the scientific community.

But, said Jean-Pierre Swings, secretary-general of the Paris-based International Astronomical Union, "they haven't consulted us."

Still to be resolved is the question of raising the 300 million francs (\$50 million) needed to build and launch the necklace on a European Ariane rocket.

Mr. Gillieron said the plan was to raise a subscription supported by 21 major European companies.

The space necklace, designed by a team led by Jean-Pierre Pommerehne of the French National Center for Space Research, would contain water and be packed into a capsule. Once at the designated height, the capsule is to open, the water will turn to steam and the ring of balloons will expand into the biggest manmade object in space.

Like the original concept for the Eiffel Tower, the space necklace is intended to be only a temporary object, remaining aloft for three months to two years. It should be visible around the world every night as it makes its polar orbit.

With 9,000 bits and pieces already floating around in orbit, asked Dr. Murdin, "Who needs this?"

Astronomers see the Eiffel Tower project as part of a disturbing trend. In the United States, for example, the Celestis Corp. of Florida has won Department of Transportation approval for a plan to launch reflective orbiting mausoleums, each containing the cremated remains of 15,000 persons.

Dr. Murdin said there was a desperate need for an international convention to prevent the abuse of space. "As things stand," he said, "any organization that can put up

DELHI: 13 Die in Riots

(Continued from Page 1)
Moslems claim it as a historic mosque.

Police said that at least 40 shops were looted or set ablaze Friday. Hospital officials said that most of the casualties were Hindus. It was the second outbreak of rioting this week in old Delhi.

In Meerut, military sources said it was probable that more than 100 people had died. Police there reported more than 1,000 people arrested since Monday. They said the fighting was spreading to nearby villages.

Hindu-Muslim rioting began Monday in Meerut after a weekend incident in which a youth was killed, reportedly in a property dispute. More than 9,000 army troops and paramilitary police have been sent to the area to maintain order.

Prime Minister Rajiv Gandhi issued a statement late Friday appealing for peace in both cities.

IT IS A MOMENT YOU PLANNED FOR. REACHED FOR. STRUGGLED FOR. A LONG-AWAITED MOMENT OF SUCCESS. OMEGA. FOR THIS AND ALL YOUR SIGNIFICANT MOMENTS.

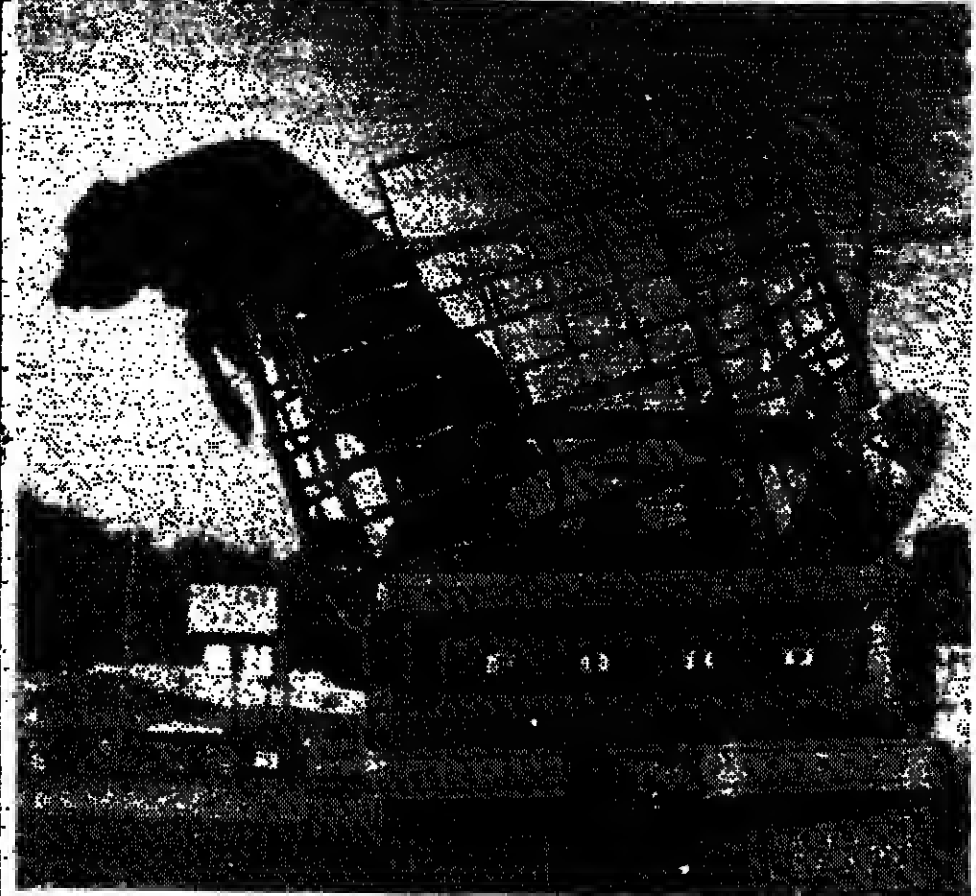


OMEGA ALWAYS MARKS SIGNIFICANT MOMENTS IN THE OLYMPICS. IN THE SPACE PROGRAM. IN SIGNIFICANT LIVES LIKE YOURS. THE OMEGA CONSTELLATION. FOR YOU BOTH.



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AMERICAN TOPICS



BULL'S WANDERLUST — A brangus bull wanted out of a pickup truck in Coffeyville, Kansas and Janet Hurley did her best to hold on as the beast tried to escape from the gate surrounding the truck. Her husband, Tony, had to stop the truck at a local park where the stubborn bull was held in a pen used during the city's annual rodeo.

N.Y. Public Schools Scarred by Neglect

New York City's public school buildings are in abysmal condition because of budgetary cutbacks dating from the fiscal crisis of 1975, The New York Times reports.

At Pacific High School, across the street from the Board of Education headquarters in Brooklyn, some classroom windows are boarded up. At Intermediate School 88, bouncing a basketball in the gymnasium brings down plaster. Ceilings are caved in, paint peeling.

"What kind of message does it send to children," asked Noel Krutcher, principal of Seward Park High School in Manhattan, "when they look out the window and see shining new office buildings in an area like this, but nothing being done for their school?"

Robert F. Wagner Jr., president of the school board, says it would cost \$4.2 billion in the next 10 years to rehabilitate the city's 1,000 school buildings. Mayor Edward I. Koch has promised half that amount.

Short Takes

Hollywood is making more and more sequels to successful films. Now shooting, or about to, are "Superman IV," "Revenge of the Nerds II," "Jaws IV," "Rambo III" and "Death Wish IV."

Columnist Criticizes Medical Manners

Medical personnel who call patients by their first names should cut it out, says Victor Cohn, columnist for The Washington Post's weekly magazine, Health. He says his mail shows "the overwhelming majority of readers" want to be called Mr., Mrs., Miss or Ms.

Shorter Takes: Florida has become the 31st state to bar localities from regulating guns. The new bill erases 400 local gun-control laws. U.S. traffic deaths increased by more than 2,000 last year, according to the National Transportation Safety Board.

Richard N. Perle, former assistant secretary of defense for international security policy, is writing a monthly column for the weekly U.S. News & World Report.

John Nugent of Vienna, Virginia, said salesmen are the worst offenders. "When I meet this type I say, 'My name is Nugent,' and when they ask my first name, I say, 'Mister.'"

Mr. Perle officially left the government May 8. His first column was in the magazine's May 25 issue.

3 in U.S. Sentenced to Life

LAKE CHARLES, Louisiana — A state judge sentenced three Colombians to life in prison Thursday for the murder last year of Adler Barrimore Seal, an undercover informer of the U.S. Drug Enforcement Administration.

Mr. Seal was acknowledged that he interceded on behalf of Wedtech in 1982 after receiving a series of memos from a San Francisco lawyer, E. Bob Wallach, a close friend who was then associated with Wedtech.

Later that year, the company received a \$32 million contract from the army for small engines. Sources said that Mr. Wallach later made \$1 million in stock profits and payments from Wedtech, which is now being reorganized under federal bankruptcy laws.

In 1985, at Mr. Wallach's suggestion, Mr. Meese liquidated family stock holdings worth about \$65,000 and invested the money with W. Franklin Chinn, a San Francisco businessman who was then a Wedtech consultant and became a company director later that year.

Separate probes of Wedtech are being conducted in New York by the U.S. attorney for Manhattan, Rudolph W. Giuliani, and the Bronx district attorney, Mario Merola.

U.S. Studies Meese's Role In Effort for Plane Maker

By Mary Thornton and George Lardner Jr. Washington Post Service

WASHINGTON — The special prosecutor investigating actions by Attorney General Edwin Meese 3d and Lyn Nofziger, a former White House aide, in connection with the Wedtech Corp. has been expanded to include their activities on behalf of Fairchild Industries Inc., sources said.

The sources said Thursday that the prosecutor, James C. McKay, and his investigators have questioned former administration officials about the roles of Mr. Nofziger and Mr. Meese in 1982 when Fairchild, a defense contractor in Virginia, was attempting to persuade the air force to extend contracts for the A-10 aircraft.

Deborah Tucker, a Fairchild spokeswoman, confirmed Thursday that the company had been contacted by Mr. McKay's office. She said the company has been "cooperating fully" with the grand jury.

Mr. McKay was appointed early this year to investigate Mr. Nofziger's lobbying activities in 1982 for Wedtech and several other concerns, shortly after he left his White House job. Federal law prohibits former government officials from lobbying the government for a year after leaving their positions.

Mr. Meese, who was counselor to the president from 1981 until he became attorney general in the spring of 1985, asked Mr. McKay last week to expand his investigation. Mr. Meese asked that the inquiry include any possible impropriety by him in connection with Wedtech.

Sources familiar with the Fairchild transactions said Mr. Nofziger became involved with the company shortly after his departure as White House political director in January 1982. The sources said Mr. Nofziger was brought in on behalf of Fairchild by a Washington lawyer, Stanton Anderson, who had been hired by Fairchild to lobby for the A-10.

Sources said Mr. Anderson was cooperating with Mr. McKay and had testified before the grand jury. They said several grand jury witnesses had been asked about Mr. Meese's support for Fairchild in the effort to extend production of the A-10. The investigators "are very interested in Meese's role in the transaction," said a source familiar with the grand jury investigation.

A Justice Department spokesman, Terry H. Eastland, declined to comment. James E. Roca, one of Mr. Meese's lawyers, said he could not comment on the Fairchild aspect.

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Wiesel, at Hiroshima, Challenges Japan

By Clyde Haberman New York Times Service

HIROSHIMA, Japan — Elie Wiesel, chronicler of one of mankind's greatest horrors, viewed the legacy of a different disaster Friday and left speaking grimly of the "Biblical malediction" he had observed.

"What worries me," said Mr. Wiesel, winner of the 1986 Nobel Peace Prize, "is maybe I have not seen the past and what I have seen here is the future."

His visit to Hiroshima was an unusual marriage of catastrophe; a survivor of the Auschwitz and Buchenwald death camps in the city that witnessed the lethal dawn of the nuclear age.

As he toured the Peace Memorial Park and the Peace Museum, Mr. Wiesel cautioned against "cheap comparisons" between the Nazi Holocaust and the atomic bomb dropped on Hiroshima 42 years ago.

"Auschwitz was meant to be the condemnation of the last Jew to death," he said. "Here, obviously, it wasn't meant to kill the last Japanese."

"Maybe there is a metaphysical difference," he added. "Auschwitz meant the end of an era, and Hiroshima means the beginning of another era."

Mr. Wiesel came to Japan to deliver lectures in Tokyo and Osaka at the invitation of the Japan Advertising Council, an industry group. But he said he could not have traveled so far without a detour to the city where millions before him had come to unburden their nuclear consciences.

In a sense, Mr. Wiesel and his Hiroshima hosts had assigned themselves the same life's mission, that of bearing witness to anguish — through books, they, through tours and symposiums.

But he told the Japanese that they should also remember it was their militarist past that had brought them to ashes at Hiroshima, and he called on them to come to grips with their present. Specifically, he cited Japan's ardent compliance with the Arab boycott of Israel and a spate of anti-Semitic books published in Hiroshima recently.

The best-selling among this group of authors is an Osaka man, Masami Uno, who argues that an "international Jewish conspiracy" has created Japan's present economic troubles.

Mr. Uno says Jews control major U.S. corporations and have engineered "a targeted bashing of Japan." In addition, he asserts that the mass killing of Jews by the Nazis during World War II is exaggerated.



Elie Wiesel and his wife, Marion, at Hiroshima memorial.

work. Who better than you could come out with a statement both sober and sincere?"

It was in Hiroshima on Aug. 6, 1945, that Japan's militarist road approached its end.

At 8:15 A.M. an American B-29 bomber, the Enola Gay, unloaded its cargo with an explosive force of 20,000 tons (20 kilotons) of TNT. Within seconds, the central city vanished. The immediate death toll has never been clear, but by the end of three months it had reached an estimated 130,000.

As the Enola Gay flew over Hiroshima, it was the middle of the night in Paris, where 16-year-old Elie Wiesel was trying to put his life back together three months after the Allied liberation of Buchenwald.

Mr. Wiesel brought his own war memories to the Peace Museum on Friday as he stared, with eyes sad and intense, at the catalogue of misery — pictures of charred bodies and ulcerated faces, of shredded clothing and shattered lives.

Later, he and his wife, Marion, laid wreaths at a cenotaph containing a registry of known atomic bomb victims who have died. The count Friday stood at 443,590.

Children on tour stopped to look, having no idea who these foreigners were. But he knew them, the Nobel laureate said.

It was the children, more than anyone, who had reaped the "whirlwind of insanity," he said. "Woe to us, human beings of the 20th century, that we have seen innocent children pay the price for the mistakes of adults."

2 Television Journalists Arrested in Zimbabwe

HARARE, Zimbabwe — The police raided the home of a television cameraman, Tony Liddell, on Friday and arrested him after a search for weapons and "subversive documents," his wife said.

Paul Hughes, Mr. Liddell's sound technician, was arrested later, Mrs. Liddell said. Both men work for Worldwide Television News, which is partly owned by the ABC, the U.S. network.

Advertisement for DUNLOP FINE HAVANA CIGARS. Includes text: 'DUNLOP FINE HAVANA CIGARS', 'DUNLOP MONTE CARLO', 'DUNLOP BOMBY J. BETTA', 'DUNLOP BOLIVAR', 'DUNLOP PRINCE'. Also includes a small image of a cigar and a box.

In Peru, a Model Shantytown

Residents Build Community in Desert Near Lima

By Tyler Bridges Washington Post Service

VILLA EL SALVADOR, Peru — Manuela Mñoz stood beside a pile of reeds that she and her husband were using to thatch a house here in the desert near Lima, Peru's capital.

"I'm so happy to be moving here," she said. "This is the best young town in Lima." She used the upbeat Peruvian term "young town" to describe what others would call a shantytown.

"Here, the kids go to school, most people get enough to eat and you feel part of a community," Mrs. Mñoz said.

Like other major cities in Latin America, Lima has been flooded during the past two generations by peasants looking for jobs and a better life in the city.

Most have found neither. Instead, the massive migration has left Lima ringed by dozens of young towns, where millions of people scratch out a meager existence, threatened by disease and crime.

But in Villa El Salvador, amid the squalor that threatens to overwhelm Lima's population of about six million, young people can still build their dreams and parents can still live in dignity. The residents have done most of it on their own.

"We've been able to build a life for ourselves," said Julia Morales, noting that all three of her children had graduated from high school. "They would have dropped out of school early in another young town."

Villa El Salvador was created in 1971, when peasants appropriated unoccupied land on the southern edge of Lima. The police evicted them in a bloody confrontation in which one person died.

This caused such an uproar that the leftist military government in power at the time offered the squatters a large tract of desert an hour's drive from central Lima.

A month later, Villa El Salvador had 100,000 residents. Although rapid, the growth was not chaotic.

Government planners worked with squatter leaders to design a formal city plan, dividing the town into neighborhoods.

Today, the 300,000 residents are dispersed among 102 residential groupings, which comprise smaller neighborhoods. The military government backed Villa El Salvador's structured design because it believed this would better ensure the maintenance of public order.

But the city's leaders had seized on this organization to create a community development network unmatched by other young towns.

Each residential grouping has five 16-member committees elected by each neighborhood. They deal with such issues as health care and education. Each residential group also elects six representatives to the city's general assembly.

"This organization has been the key to Villa El Salvador's success," said Gunther Solojew, a West German urban studies professor studying the city, which has become the fifth largest in Peru. "It has led to the development of a widespread community consciousness and has created a political activism that has allowed them to obtain government help when needed."

In January, 20,000 residents marched on the presidential palace in central Lima to complain that they had been without running water for two months. A week later, Mayor Miguel Azueta discussed the issue with Prime Minister Luis Alva Castro. Soon after, the state water company began trucking water to Villa El Salvador.

Most families, either working alone or with neighbors, build their own houses. Over the years, most residents have replaced the original thatched reed with brick.

Citizens also have pitched in to build the city's offices and water and electricity systems. According to Mr. Azueta, 32 of the 34 schools and five of the nine health clinics were built by residents.

With neighborhood representatives keeping a close eye on truant, 98 percent of school-age children graduate from primary school, the mayor said, compared with 70 percent nationally. Fifty-six percent graduate from high school, compared with 32 percent nationwide.

Figures show that the infant mortality rate and the occurrence of diseases among children have declined sharply in the past two years. This is attributed to the adoption of a vaccination program, the distribution of oral rehydration

packets to combat diarrhea-induced deaths and the creation of a school milk program.

Women's groups also helped establish 250 common kitchens. At each, 20 to 30 women pool their resources and take turns cooking.

Although unemployment, rising crime and the water shortage remain problems, residents seem hopeful about the future.

"I wouldn't want to live anywhere else," said Jesus Cangalaya, taking a break from constructing his butcher shop in a marketplace. "And when I finish this," he said, patting the brick wall, "things will be a lot better."

Court Urges U.S. Ruling On Aliens' Free Speech

New York Times Service

LOS ANGELES — A higher court should decide whether foreigners in the United States have the same right to free speech as American citizens, a federal district judge has ruled.

Judge Stephen V. Wilson said Thursday that the district court lacked jurisdiction to decide whether a 1952 law allows the government to deport aliens for expressing views it considers subversive. He left the matter to be decided by the 9th U.S. Circuit Court of Appeals, in San Francisco.

The case concerns the Justice Department's effort to deport seven Jordanian citizens and a Kenyan it has accused of making speeches and distributing literature in support of the Popular Front for the Liberation of Palestine, a Marxist faction of the Palestine Liberation Organization.

At a hearing in Los Angeles, Judge Wilson said that earlier rulings by the federal courts bearing on the free speech rights of aliens have been contradictory. He said the "enormously important issue" of how far these rights extend "has never been addressed head-on."

"I suspect this case could very well reach the Supreme Court," Judge Wilson said. "In my view, it should."

The eight foreigners in the case originally were charged with subversion under a section of the 1952 McCarran-Walter Immigration Act that prohibits foreigners in the

United States from promoting world communism.

The Justice Department later dropped the subversion charges against six of the aliens and now is attempting to deport them for routine violations of their visas.

The American Civil Liberties Union and other organizations contend that the deportation attempt violates the aliens' First Amendment right to freedom of speech and, in a broader sense, violates the First Amendment rights of Americans who might seek to hear their views.

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DEATH NOTICE Mrs. William O. BABB born Alice Szamek, widow of William O. Babb, on Tuesday, May 19, 1987, in Luxembourg, Persone, wishing to express their sympathy can donate to: Le Recherche sur le Cancer et la Maladie du Sang, CCF Luxembourg 549 00-24. Mention: gift widow Alice Babb-Szamek.

INTERNATIONAL Herald Tribune

Learning From the Stark

Cheap Exocet missiles crippled the frigate Stark on Sunday and devastated the British destroyer Sheffield in the Falkland war...

better methods," says a navy spokesman. Its "better methods" need to be supplemented with ones that actually work...

Don't Blame the Saudis

It seems that a U.S. early-warning AWACS aircraft flying a Gulf loop picked up the rising Iraqi fighter early and summoned two Saudi fighters into the sky...

orders, put himself — that is, put his government — into a whole new realm of chance and risk in a war zone...

Tackling Farm Subsidies

A new international report says it plainly: The industrial countries currently waste \$100 billion a year on farm subsidies...

game. But the worst offenders are Japan and Western Europe. Japan remains self-sufficient in rice only by paying its farmers five or six times the world price...

Other Comment

No Call for Magnanimity
Defiant in defeat, said Churchill, magnanimous in victory, President Reagan would have it the other way around...

had no reason to fear Iraq. That is a statement of astounding implications. The Stark and other U.S. ships patrolling the Gulf...

From Six World Leaders, A Plea for Disarmament

This statement, written by Raúl Alfonsín, president of Argentina, was signed by him; Miguel de la Madrid, president of Mexico; Ingvar Carlsson, prime minister of Sweden; Rajiv Gandhi, prime minister of India; Julius Nyerere, president of Tanzania; and Andreas Papandreu, prime minister of Greece.

THREE years ago, on May 22, 1984, we demanded that humanity's survival should not be jeopardized by the threat of a nuclear catastrophe. Today, we make an appeal to you to seize the opportunity...

OPINION

Irangate: A Constitutional Crisis?

By Laurence H. Tribe

CAMBRIDGE, Massachusetts — After the former national security adviser, Robert McFarlane, testified that he had briefed President Reagan "dozens" of times about steps...

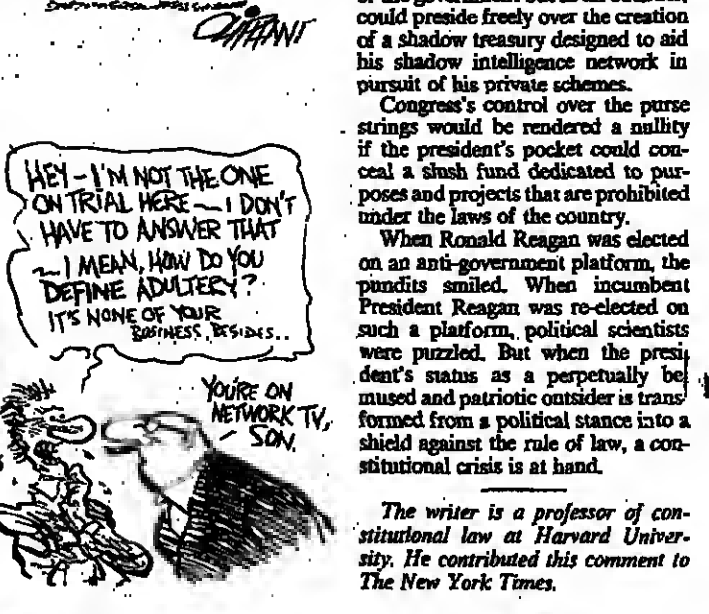
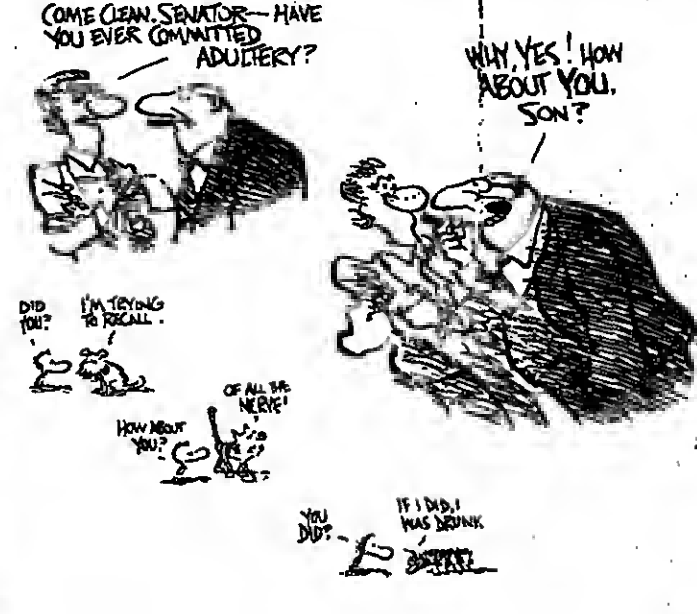
support for the Contras drawn from any "funds available to any agency or entity of the United States involved in intelligence activities."

to serve as an intelligence agency. That the funds from domestic and foreign sources circumvented agency coffers and may have gone straight into the Contras' hands cannot obscure their availability for intelligence agency purposes and projects.

The Fallout Of Citicorp's Gutsy Move

By Hobart Rowen

WASHINGTON — Everybody in the financial markets saw it coming: When Citicorp, the holding company for Citibank, said that \$3 billion of its loans would be paid off...



Irangate: Congress and the Media Need Some Deflating

By Charles Kranthammer

WASHINGTON — The Reagan administration is taking a daily drubbing in the Iran-contra hearings. Deservedly so. The Iran swap was utterly misconceived and aid to the Contras very likely illegal...

more media time was spent on the U.S. Embassy hostages in Tehran than on any single foreign policy story in U.S. history (would you expect?).

What, after all, is the point of giving humanitarian aid to a guerrilla army? Either you help the army win its war or you cut it off.

When Ronald Reagan was elected on an anti-government platform, the pundits smiled. When incumbent President Reagan was re-elected on such a platform, political scientists were puzzled.

How the New Green Revolution Could Bring Famine

By Giles Merritt

BRUSSELS — Once the Cinderella of world politics, agriculture now ranks alongside arms control as one of the uglier subjects. But the politics of food will soon eclipse all other problems.

Europeans and Americans to export these surpluses will wreck the upcoming GATT negotiations in Uruguay.

Many African countries will have to double their present crop yields to avoid widespread famine.

their grain imports have quadrupled, and at \$21 billion a year are such an economic headache as oil imports.

LETTER

The Guilt of One Man
William Pfaff's opinion column, "The World Has Had Millions Like Klaus Barbie" (May 12), was informative, but I am curious about his statement...

1912: Taft's Hopes Dim
NEW YORK — There is not an important political judge today who does not believe that Theodore Roosevelt will win at Chicago...

1937: Caution on Spain
BERLIN — The British proposal for a truce in Spain to enable the withdrawal of foreign volunteers was received favorably in German official circles...

WASHINGTON — Many Republicans say they have abandoned hope of Mr. Taft's renomination. One effect of the Ohio vote will be to further shake the allegiance of instructed delegates from the South and pledged delegates from New York.

INTERNATIONAL HERALD TRIBUNE
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Handwritten signature or scribble at the bottom of the page.

ARTS / LEISURE

Rarities and a Patchy Price Pattern at Drouot Sale

PARIS—Rarity cuts both ways in the art market. When it applies to a category that looms large in public awareness, it sends prices soaring. When it concerns objects of art familiar only to a handful of connoisseurs, it results in a patchy price pattern, from total failure to sell to an occasional outburst when two determined collectors are pitched against each other.

The point was repeatedly made at Drouot in the course of a sale of antiquities conducted by the Laurin-Guillevin-Buffetaud-Tailleur group on May 19 and 20. From the buyer's angle, it was a wonderful sale with a diversity in the range of offerings seldom matched by London or New York auctions. This partly because its hard core consisted of two French collections built up over many years and partly

because Paris auctioneers are willing to handle pieces that go for very little money. Many objects were selling under 3,000 francs (\$500), some even below the 600-franc (\$100) level, including two fine Merovingian ivory combs of the sixth century. This could not happen at Christie's or Sotheby's where there is an unofficial ban on anything valued at less than \$400 (\$670), effectively ruling out many highly interesting rarities.

Characteristically, the most expensive work of art was an Egyptian stone carving that sold for 719,652 francs. Top quality Egyptian sculpture is hard to come by these days. Nevertheless, this is a huge figure for a fragmentary piece

of a late period, probably the seventh century B.C. The torso of a lady of the court, broken off below the breasts, is missing its arms. The face is severely damaged. It took a clever photographer's trick to restore for the catalogue the subtle smile that once lit up what must have been an admirable sculpture.

Such poor condition might easily have resulted in failure to sell. But ancient Egyptian art has been the object of numerous exhibitions that have drawn huge crowds. Many coffee table books have come out, films have been shot on ancient Egyptian locations, operas are performed in ancient Thebes, all building up the image of Pharaonic Egypt. While the buyer of a work such as this may be a sophisticated collector, he has to compete with minor museums, dealers and even interior decorators entering for the very rich in the United States.

The contrast between the successful Egyptian torso and a Phoenician bronze figure believed to have come to light in the Damascus area could not be greater. The Phoenician object has all that a collector could wish for. The sizable piece, 17.5 centimeters (almost 7 inches) tall, is in excellent condition. The dark reddish brown patina adds to the attraction of the superbly cast bronze. The feminine figure, with the right forearm held forward, fist clenched, and left forearm raised at a low angle in some kind of salute, betrays Egyptian influence in its hairdo and its long narrow robe, as is common in the Syrian area at that period.

Aesthetically it belongs to a different world. The legs are too short in proportion to the bust and the head is too big for the shoulders. The beaming face with huge eyes, at one time perhaps inlaid with shells, harks back to Sumerian art of the third millennium B.C. The overall effect aims at a kind of



Egyptian stone carving, probably 7th century B.C.

expressionism unconcerned with the balance and timeless dignity typical of Egyptian art at the same period. It is far more in tune with the mood of our own age, a factor that should have boosted it.

But the piece was handicapped by its unfamiliar appearance. Not one piece of this type has turned up at auction within living memory.

The few parallels are scattered in two or three museums — the National Museum in Damascus, the Louvre in Paris. It simply did not register with collectors and was sold for a mere 196,012 francs. The bargain was snapped by an experienced dealer, Jerome Eisenberg, whose Royal Athena Galleries are in New York and Beverly Hills.

Had it been sold at Christie's or Sotheby's, with better exposure to the international market, it might have done substantially better, but only because more dealers representing major museums would have been fighting over it. It will end up in some top level institution such as the J. Paul Getty Museum of the Cleveland Museum of Art.

The auctioneer had better luck with another object of extraordinary rarity, a Celtic bronze pyxis with champlevé enamels. The hexagonal box with three short feet and a flat top is one of only eight recorded pieces and none has ever been in an auction catalogue. The purely geometrical decoration in square panels and horizontal bands must have been dazzling when the red, yellow, black and white enamel was in pristine condition. As a result of surface corrosion, much of the enamel ooz has a drab brownish and grayish appearance and the bronze bands are in need of some very delicate cleaning. A ring is missing on the top and the feet have been restored. It is nonetheless a dream piece.

In the last four years very high prices have been paid for the more spectacular Celtic works of art that have surfaced at wide intervals. The current record is held by the bronze arm ornament with swirling motifs in low relief — the finest in Celtic art — sold at Christie's for \$70,560 (about \$105,800 at the time) in July 1986. At 334,950 francs, the pyxis can be considered to have sold reasonably well, although certainly not outrageously from the buyer's viewpoint. The Musée des Antiquités Nationales at Saint-Germain-en-Laye, near Paris, France's national museum for antiquities down to early Christian times, did the sensible thing. It acquired the object by substituting itself for the last bidder as the French "preemption" procedure

allows national museums to do.

Other rarities did not fare nearly as well. Among carvings, top marks for beauty must go to a limestone head of the third of fourth century from the Near East. The idealized face bears the stamp of Hellenism in its Near Eastern version, without the merest concession to psychological characterization. The hair band with low relief scrollwork reproduces some silver or gold prototype decorated in a Persianizing style. The 27-centimeter head, believed to have been found in Syria, is splendid but disconcerting. It ended up as a modest 40,296 francs, paid by Eisenberg.

This is a giveaway compared with the 68,187 francs for a fragmentary alabaster head in the early Byzantine style cultivated in Aphrodisias. Its top blown off, nose smashed, side damaged by recent dents, the piece, only 15 centimeters high, sold better than the Syrian head only because it is much easier to apprehend.

Easier still, and proportionately more expensive, is the marble portrait of Agrippina. The 32 centimeter piece, datable to the second third of the first century, came to light in southern France at Nègrepisse, ancient Nigram Palatum, near Montauban. Despite its condition — nose and upper lip smashed, hairdo badly worn, dents and surface staining — it rose comfortably to 145,995 francs.

Similar contrasts can be followed all the way down the price scale. Many among the rarest pieces were the cheapest. The two Merovingian combs mentioned earlier are unobtainable and made more interesting still by the fact that they are known to have been found in Lyon. Yet competition for them was confined to two dealers, one a native of Lyon, who wanted them for her own collection, and Eisenberg, who collects combs and



Phoenician bronze bargain.

got them at 612 and 530 francs, not madly overpaid. Earlier in the sale a black earthenware shallow bowl with an incised star pattern on the underside in the best Villanovan style of the seventh century B.C. (rather than Etruscan, as the catalogue states) could be had for 1,176 francs. This kind of ware, does not crop up often enough to whet the appetites of most collectors. In collecting as in other human pursuits, the prevalent tendency is to keep up with the Joneses.

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The Art of Wool-Painting

By Terry Trucco

LONDON — "I'm a romantic," said Kaffe Fassett as he sipped his mint tea. "I love the richness of pattern, the over-the-top lushness you get from lots of colors."

He held up a heavy wool sweater in bold autumnal tones. "This sweater has more than 100 colors in it," he said. "You might wear it for a year before you realize that

there's that bit of rust or blood red."

For more than 20 years, Kaffe (rhymes with safer Fassett, a 49-year-old native of San Francisco, has worked in London designing sweaters and knitwear with an intricate mix of colors and textures.

For much of that time his designs were hardly known. A small circle of stylish fans, including Princess Michael of Kent, visited his airy north London workroom to com-

mission one-of-a-kind sweaters. He also worked on knitwear collections for several prominent fashion design houses, including Missoni. More recently, he has designed knitting and needlepoint kits that are sold in Britain and the United States.

In 1985 his book "Glorious Knits" — a collection of his designs and patterns — was published by Crown. "It was a grown-up book for knitters, with most of the designs calling for at least 20 colors," Fassett said.

The book became an international best seller, with more than 150,000 copies sold to date, more than a third of those in the United States. On June 24 and 25, Fassett will lecture at the Fashion Institute of Technology in New York. This fall, "Glorious Needlepoint" (Crown), another book of his yarn designs, will be published in the United States. In October 1988, the Victoria and Albert Museum in London will host a retrospective exhibition, featuring 150 knitting and needlepoint designs, many inspired by objects in the museum and created just for the show. This will be the museum's first one-man show for a contemporary textile artist.

As he slipped on a knee-length knitted coat embellished with big blue-and-white patterns, Fassett explained that the design came from an antique jar on view at the museum. Among the other objects he has translated into yarn designs are Islamic bowls, Chinese jars, Victorian fans, African sculptures and even "some weird little snuffboxes with faces." These designs often turn up as figurative images on his needlepoint pillows and rugs, although for knitted clothing he usu-



Jonathan Poyer

ally distills the patterns and colors. Fassett keeps his knitted shapes simple, using just the stocking and the rib stitches, and knitting with circular needles. His needlepoint

stitches are just as easy. "Basically, I'm painting, and this is my canvas," he said, stroking a sweater. He also insisted that even a novice knitter can make some of his simpler garments. "If you can do these two stitches and learn to knit the ends in, then you can knit with a thousand colors."

Fassett started his career as a portrait painter, following a brief stint at the School of the Museum of Fine Arts in Boston. Years earlier he acquired his unusual first name after seeing it in a children's book about an Egyptian boy. (He will not divulge his real name, describing it as "dreadful.") In 1964, he left the United States, attracted by the style and freedom of London during the heyday of the Beatles and Mary Quant. "At that time, there were three colors a man in America could wear, and I figured there had to be more to life than that," he explained. "But in London, everyone wore color." He discovered knitting on a trip to Scotland four years later, when he visited a fabric mill. "I saw the most beautiful colors of yarn and I thought, 'What's the matter with people, running around in navy blue and beige?'" Fassett bought 30 colors of yarn and learned to



Kaffe Fassett in his workroom, and (above) one of his needlepoint cushions.

knit on the train back to London. He still has the striped cardigan he made, now peppered with "sweet little moth holes," as he calls them.

He stopped painting and started getting up every day at 6 A.M. to knit. "At that time you weren't considered a serious artist if you were involved with textiles. But once I started, I couldn't give up. I thought if art doesn't allow you to get involved with something as creative as textiles, then fiddle-fudge."

AUCTION SALES

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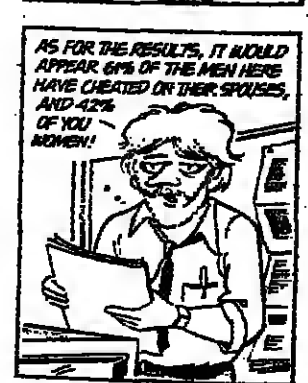
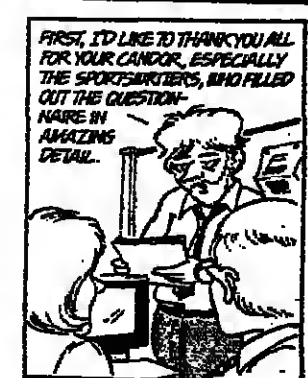
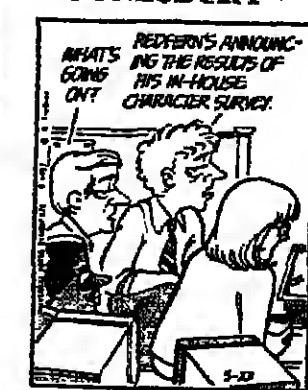
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THE GORDON BENNETT

CUP

TRAVEL IN GERMAN

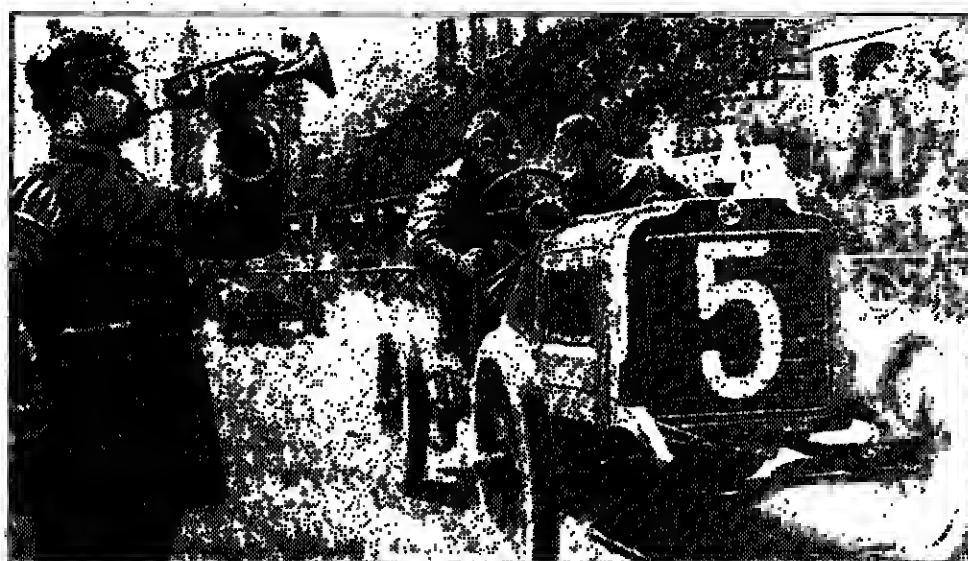
Vintage-car rally commemorates the Gordon Bennett Cup of 1904 as part of the International Herald Tribune's centennial celebrations.

It was the biggest automobile race ever held in Germany. Nothing since has drawn the million spectators that lined the 85-mile route of the 1904 Gordon Bennett Race in the Taunus Hills, near Frankfurt.

It was probably Germany's most gala automobile race as well. Kaiser Wilhelm II headed a glittering array of personages from royalty and aristocracy to the social elite. In those days, the motoring world was intimately linked to high society.

Homburg (now Bad Homburg) was the center of social activities. Fashionable ladies and gentlemen dined on the terrace of the Ritters Park Hotel, or took evening strolls in the Kurpark around illuminated fountains and under trees festooned with Chinese lanterns. The two weeks surrounding the June 17 race date were filled with banquets, balls, special theatrical performances, concerts and the like, most of them honored with the presence of the Kaiser.

As for James Gordon Bennett, founder of the race, he was most conspicuous by his absence. He made it a point never to attend one of his races, and in fact never in his life drove an automobile. Gordon Bennett (1841-1918) founded the Paris edition of the New York Herald (now the International Herald Tribune) just a century ago in 1857. He established the Gordon Bennett Race in 1900, and by 1904 the London Morning Post could say that the event "overshadows every other automobile fixture, and has done more than any other com-



Winners of the 1904 Gordon Bennett Race pass the imperial viewing stand.

petition to bring automobilism before the general public."

Drivers in the race competed for a 37-pound (17-kilogram) silver trophy depicting an 1899 Panhard with the Genius of Progress at the wheel and the Goddess of Victory standing in the back seat with a laurel branch.

Under the rules of the Gordon Bennett Race, the country entering the winning automobile in one year's race hosted the race in the following year. The first three races, in 1900, 1901 and 1902, were held in France. But, then a Briton, S.F. Edge, won the 1902 race. So the 1903 race was in Ireland (then part of Great Britain). A German car driven by Camille Jenatton won in Ireland, bringing the 1904 race to Germany.

The Kaiser was largely responsible for the selection of the Taunus for the race. He spent his summers in Homburg, and was enthusiastically

involved in the restoration of the Saalburg, an old Roman fort just outside the city which dated from the 1st to 3rd centuries A.D. The Kaiser liked the symbolic connection between Caesar's empire and his own, and designated the Saalburg as the start-finish point on the race's circular route. A Roman-style grandstand was built there, decorated with statuary and evergreen boughs.

The Saalburg-Saalburg route ran via Usingen, Weilburg, Limburg, Idstein, Esch, Königstein, Oberursel and Homburg. This very same route will be used again for the Gordon Bennett Memorial Rally of vintage and historic cars on May 23 this year. This time, however, it is a rally, not a race, and the route will not be closed to traffic as it was in 1904. Also, the rally will begin and end at Bad Homburg, rather than at the Saalburg.

The present rally is being organized by the Automobilclub von Deutschland (AvD), successor to the Kaiserlicher Automobilclub which organized the 1904 race. The distance around the circuit was (and is) 85 miles (137 kilometers) and drivers in 1904 were to circle it four times for a total distance of 340 miles (548 kilometers).

No expense was spared in preparing for the event. There were elaborate precautions for keeping people off the road during the race. At a few points wooden bridges were constructed

to carry intersecting traffic above the race route, but most intersecting roads and paths were sealed off with wire fences. Soldiers were stationed at intersections as an additional precaution and fences were constructed wherever large numbers of spectators were expected to gather.

The roads, mainly unpaved in those days, were sprayed with a concoction called "Wesrumite" to keep the dust down. One newsman remarked that he would have preferred the dust to the stench of this petroleum and ammonia mixture. All checkpoints along the course were connected to the Saalburg by telephone, telegraph and wireless telegraph.

The day of the big race began beautifully. It was warm but a breeze from the hills tempered things. Homburg was abuzz with excitement well before dawn. By 3 a.m., stores were open; soon after, huge crowds were swarming out to the Saalburg. The Kaiser, in the uniform of a hussar general, went out, accompanied by the Kaiserin, in a state carriage with outriders, and was in the imperial box before the scheduled start of the race at 7 a.m. All around, hawkers were busy peddling cold beer, sandwiches and fresh strawberries. Several bands played in different parts of the stands and, thanks to the Kaiser, children had been given a day off from school.

The stakes were high and everybody had a favorite. Two

previous winners, Jenatton and Edge, were among the 18 intrepid gentlemen racing this day. The overwhelming majority of the fans were German, and they were hopeful that Jenatton would repeat his feat of the year before. The British wanted Edge to repeat his feat of two years previously and the French had spared no pains in their effort to bring the trophy back to their country after a two-year absence. The equally hopeful Italians had sent a big contingent of cars, drivers and mechanics up from the Fiat plant at Turin.

A simultaneous start was impossible in view of the narrow Taunus roads, so the winner would be determined by time. Cars were to start at precise seven-minute intervals, beginning at 7 a.m.

The first to go was Jenatton in a Mercedes. Under the rules of the race the automobile representing a country had to be made in that country, down to the smallest detail. There was, however, no requirement that the driver be of the country in question. And, indeed, Camille Jenatton was a Belgian.

Each country was furthermore restricted to a maximum of three cars. One of Germany's other entries was another Mercedes driven by another Belgian, Baron Pierre de Caters. But the sentimental favorite as far as the Germans were concerned was Fritz Opel in an Opel-Darracq. He was a son of Adam Opel, founder of a bicycle firm that two years previously had gone into automobiles, and his was the only German entry with a German driver. Nobody had studied the course more painstakingly than Fritz Opel.

Still, the crowd had respect for the man who had won last year, and cheered as Jenatton was flagged off at precisely 7 a.m.

most places then. The people we saw all came from Frankfurt, Wiesbaden and Darmstadt. Some walked here. People camped along the route.

"It was a sensation! People looked at the race as an event. They had no connection with autos. The car was a foreign body. The weather was good. And it cost nothing. You shouldn't forget that."

Dr. Neubronner's father, Dr. Julius Neubronner, owned a prominent pharmacy in Kronberg that supplied the Kaiser and other visiting royalty. He did not have a car or a horse-drawn carriage, so he and his two sons walked from Kronberg, and positioned themselves at an intersection.

From there, they could see almost half a mile (about 800 meters) along the race route. The one moment of excitement occurred when a French entry lost a right wheel and had to stop. There was no serious damage to the car. But the incident was too far away to be photographed. Otherwise, the tapers passed at about 60 kilometers per hour (56 mph) — "because it was downhill there" — and were recorded for about 20 seconds on film by Dr. Neubronner.

Dr. Neubronner used a narrow film in which the perforations were between the frames, not along the sides. This short-lived idea, which was thought to prevent tipping, required

Great Britain's ex-champion, S.F. Edge, was the second to go, at 7:07 with a Napier. He was a debonair fellow who said he trained for a race on sponge cake and champagne.

The third to start was Wilhelm Werner who, though German, was driving for Austria in an Austrian-built Mercedes. At 7:21 Vincenzo Lancia roared off for Italy in a Fiat, to be followed at 7:28 by France's main hope, Leon Théry in a Richard-Brasier.

Prince Heinrich of Prussia, the Kaiser's brother, was on hand to wish luck to Baron de Caters, Germany's second entry in a Mercedes. But just before he was to start, the Baron's motor stalled and he

couldn't restart it. Mechanics rushed out, but couldn't start it either. Minute after precious minute ticked away while the baron sweated and the German fans agonized. Another car was flagged away and still the mechanics worked. A short circuit in the ignition had cost the baron 14 minutes.

With de Caters apparently out of the race, more German hope than ever was invested in Fritz Opel, whose start, though among the last, went off without difficulty. By the time all cars had been waved off, two hours had elapsed and it was almost time for cars to start finishing the first lap.

The trumpets that was to herald the start of the race were

(Continued on page 8)

THE NEW YORK HERALD.

WHOLE NO. 34711. EUROPEAN EDITION—PARIS. FRIDAY, JUNE 11, 1904—TWELVE PAGES. PRICE 15 CENTS.

THEY'VE VICTORY BRINGS COUPE INTERNATIONALE TO FRANCE.

French "Chauffeur" Brings His Georges Richard Brasier Automobile First to the Finish.

RECEIVING FLAUNTS OF THE GENERAL EMPEROR.

Wishes Were Rapidly From Start in Taunus Hills to That of St. Jansky's Services.

HOLDER OF CUP IS SECOND.

THEY'VE VICTORY BRINGS COUPE INTERNATIONALE TO FRANCE.

THEY'VE VICTORY BRINGS COUPE INTERNATIONALE TO FRANCE.

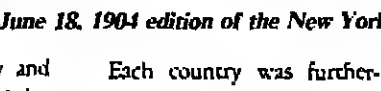
THEY'VE VICTORY BRINGS COUPE INTERNATIONALE TO FRANCE.



EMPEROR WILLIAM II.



JENATTON.



THE COUPE INTERNATIONALE.



THE KAISER WIVES HIS CAP TO UNION WITH THE CROWN AS THE WINNER SHOWS PAST.

CONGRATULATES R. BRASIER ON HIS GREAT SUCCESS.

EXULTANT AS THE FIDELITY WHITE AWARDS FOR FIRST ARRIVAL ON THE FINAL CIRCUIT.

AT LAST FRENCHMAN WINS!

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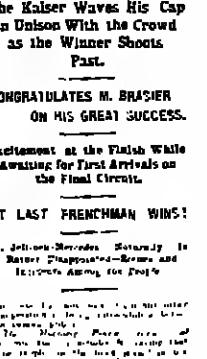
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Today's Celebration

The Coupe Gordon Bennett starts on May 23, at 9 a.m., on Brunnenallee between the casino and the Kurzentrum (spa center) in the Kurpark, Bad Homburg, near Frankfurt. Some hundred cars, dating from 1897 to 1942, depart at one-minute intervals for the 140-kilometer (84-mile) route via Saalburg, Usingen, Weilburg, Limburg, Idstein, Kronberg and Oberursel. The first cars are expected not before 1 p.m. at the finish line at the Kurhaus (Hotel Manim), Bad Homburg. Sunday, all the veteran cars will be on display on Brunnenallee from 10 a.m. to 1 p.m. A Gordon Bennett historical exhibition is being held in the lobby of the Kurtheater until May 31, then in Gotschen Haus, June 3-21.

Along the Route: Towns Worth Getting to Know

A town famous for a gambling casino and a bar, a little Versailles in the highlands outside Frankfurt and a medieval preserve of half-timbered houses — this is the rich background against which the Coupe Gordon Bennett will be run. While contestants won't have time to take a closer look, spectators will, and should. Each of these places makes a pleasant side trip into the countryside.

Today's rally starts and ends in Bad Homburg, a small town of some 35,000 people. Long known as a spa and the home of a celebrated gambling casino, the townsfolk like to call it "the mother of Monte Carlo." Now a part of Frankfurt's richer suburbia, it is also the site of federal government agencies, "clean" industries and the offices of German and multinational companies. Bad Homburg has been the home or stopover of a number of enterprising figures.

Wolfgang R. Assmann, mayor of Bad Homburg, has a keen interest in his town's long

history and is eager to share glimpses of its colorful past.

Friedrich II, "a baroque man of action" and the most important landgrave, or count, of Hesse-Homburg, "was a kind of Sun King of Bad Homburg," Assmann notes. He erected the Homburg castle (1680-85), built up the town (which then had only 1,200 people) and provided sanctuary for Huguenot and Waldensian, religious refugees whose French names can still be found in this area. Friedrich II is the Prince of Homburg depicted in Heinrich von Kleist's play of the same name. As a young man, Friedrich fought boldly against the Swedes and was badly injured, losing a leg in a decisive battle, where three of his horses were killed. A local craftsman fashioned Friedrich's famous "silver leg," which enabled him to walk without a limp. "The leg is still here in the Castle Museum," Assmann points out. "A few years ago, it was taken apart — the silver leg did not contain a gram of silver, but it still worked perfectly."



Bad Homburg's castle with its characteristic white tower.

In the 19th century, French twin brothers Louis and François Blanc were called to the aid of Bad Homburg. The town's mineral springs had been rediscovered, but "for a spa to be a success then, going there had to be a social event," Assmann says. The twins, forced to look for a new venue by the closure of all casinos in France, were persuaded to come to Bad Homburg and start a casino in the Kurhaus in 1841. "Within a short time, everyone from St. Petersburg to Paris who was

interested in going to a spa was talking about Bad Homburg." The town was especially popular with Russians, including Dostoyevsky, who tried to regain his losses by writing about Roulette in his novel "The Gambler."

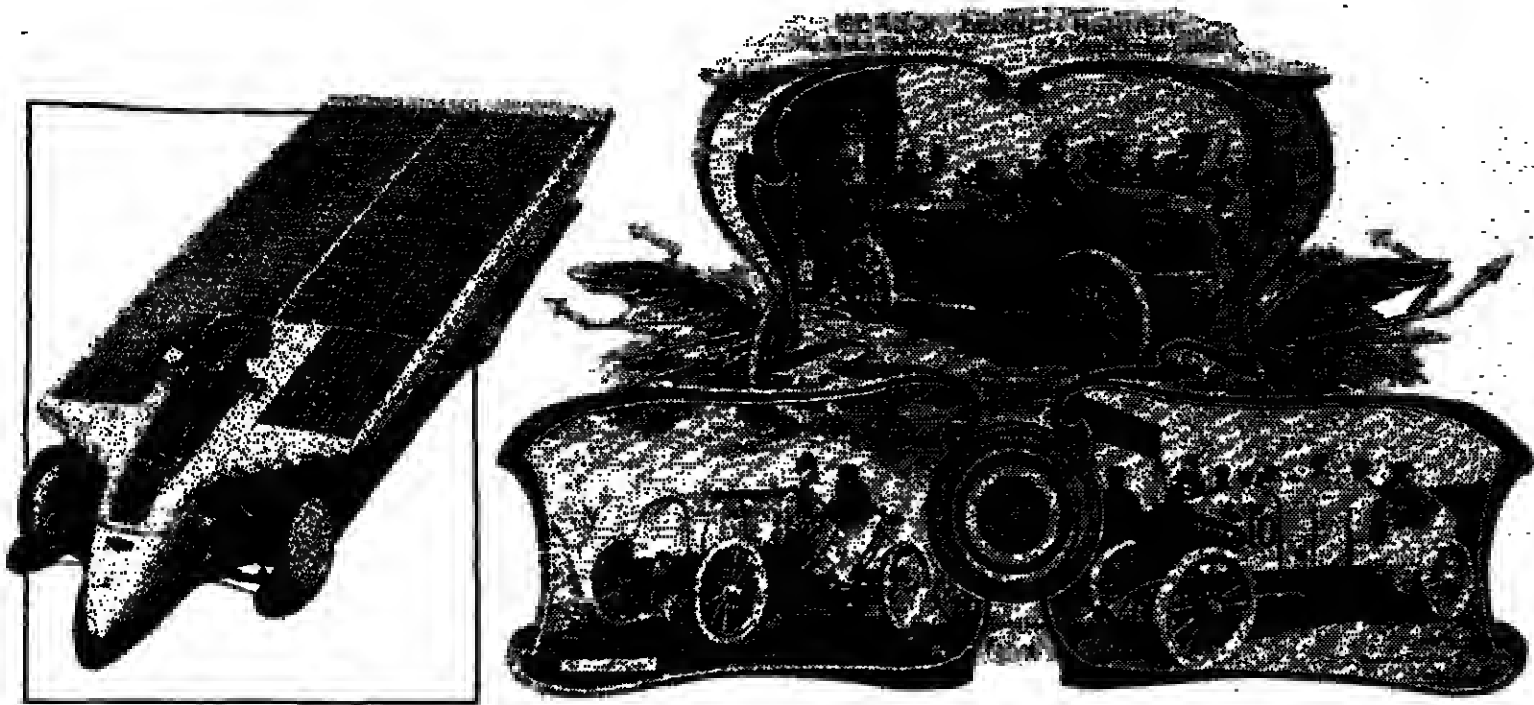
When the Prussians announced that casinos would be closed, François Blanc, whose brother had since died, looked around for a new location. He acquired the casino in Monte Carlo, starting it with Bad Homburg personnel and run-

ning both places until the Bad Homburg casino had to cash in the chips for the last time in 1872. The Blanc family moved to Monte Carlo and eventually, as Assmann adds, "their daughters married into European royal families."

The present Bad Homburg casino has been in operation since 1949, licensed by the state of Hesse. "The lion's share of the profits go to the state of Hesse, and the smaller, but not unimportant part, to Bad Homburg," the mayor says. "The casino is certainly the warmest spring we have in the spa park."

Assmann estimates that from the late 19th century and until World War I about a third of the spa visitors came from England. One of the most famous was Queen Victoria's son Edward, later Edward VII, who as Prince of Wales met here often with his nephew, Kaiser Wilhelm II. One of the best-dressed men of his times, Edward wanted a version of

(Continued on page 12)



In addition to the vehicles of yesteryear, a car of tomorrow will be seen in Bad Homburg. The solarmobile (also called a solarcar) was jointly developed and built by the training department of Daimler-Benz AG in Untertürkheim and Sindelfingen and Alpha-Real AG, Zurich. Powered by an AEG solar generator, the vehicle is capable of speeds up to 71 kilometers an hour (44.2 mph) and won the Tour de Sol, Europe's first rally for solar-energy cars. Driver Peter Bauer, 23, an auto mechanic with Mercedes-Benz Switzerland, won all five stages of the 368-kilometer (228.6-mile) course from Romanshorn on Lake Constance to Geneva. The solarmobile is not a participant in the Coupe Gordon Bennett and will limit its appearance to Bad Homburg's Kurpark (Spa Park).

Fair Organization Trends: The Case of Frankfurt

IN the year 1240, the Emperor Friedrich II, grandson of the legendary Friedrich Barbarossa, guaranteed his special protection to merchants from the Italian city of

Ascoli who were traveling to the Frankfurt Fair. These days the emperors and the robber barons are long gone, and travel has become at least technically safe. Open borders and interna-

tional markets now make commercial tourism a reliable method of communication.

The Frankfurt Fair has also changed, to say the least. In recent years, it has shifted emphasis from consumer goods to become an exchange for products and ideas, from data technology and design to capital goods, services and future technology, all areas serving tomorrow's supply and demand.

At a time when market saturation is forcing stronger segmentation, fairs want to base their events on problem-oriented concepts that are tailored to today's market demands. It has long been part of the Frankfurt Fair's strategy to adapt not only its events but also its entire infrastructure to the needs of its visitors. This year, the Frankfurt Fair's busy calendar will attract some 2.5 million German and international visitors.

For these visitors, the Frankfurt fairs are primarily, of course, a commercial attraction. They are outstanding market-

ing tools and information exchanges par excellence. Another reason for attending these fairs, many of which are the largest in their fields, is not to be underestimated. Here a particular business and professional world is concentrated in one place for a few days, providing something of an esprit de corps, a sense of belonging.

Service for the visitor starts with the favorable location of Frankfurt. It is within a one-day round trip of all major German cities, including a seven-hour day at the fair. The Frankfurt Airport, a hub for domestic and international flights, is close to the fairgrounds: 18 minutes away by train or taxi and 30 minutes by bus. The fair provides 22,000 parking spaces, with shuttle-bus service to the exhibition halls. The Main Railway station, one of the biggest and busiest in Europe, lies only a 15-minute walk away or a 10-minute ride by taxi or streetcar. In addition, fair visitors enjoy a special railway dis-

count of up to 40 percent from all stations farther than 51 kilometers (30 miles) from Frankfurt.

The Frankfurt Fair has contracts with hotels in and around the city for 34,000 rooms, and can arrange private accommodation in more than 15,000 rooms. Off-season discounts are available.

In the fairgrounds, travel has been made smoother by a kilometer-long, moving indoor sidewalk, the Via Mobile Compass, an electronic information system accessible at all information booths, locates specific stands. The visitor also finds such necessities as forwarders, customs, a post office, shops and banks in the services center. There are 25 restaurants and numerous "quiet zones" in the exhibition halls. Outside, hundreds of new trees have been planted and this year almost a kilometer, or more than half a mile, of park benches as well as water fountains are being installed.

A globally operating company, the Frankfurt Fair has 73 foreign representative offices in 61 countries to inform and assist visitors and exhibitors.

—Dr. Horstmar Stuber, chairman of Messe Frankfurt GmbH, the Frankfurt trade-fair authority.

Frankfurt: Shedding the Gateway Image

A LARGE percentage of visitors to Germany arrive through the "gateway" airport at Frankfurt. And, in the view of Frankfurt citizens, all too many of them hurry off to other parts of the country.

A great effort is underway to shed the city's image as a cold, commercial place with little of interest to the visitor. Such a reputation was never deserved, particularly if the city's surroundings are considered. Those who like old-world gaming will appreciate the casinos in the former royal spas of Bad Homburg and Wiesbaden. The most scenic part of the Rhine, full of castles, vineyards, pretty towns and legends, begins at Frankfurt's doorstep. Büdingen, a medieval town to match Rothenburg, is only a short distance away, and there is deep forest in every direction.

Frankfurt itself has much to offer as well. Nobody who has spent an evening in the cozy apple wine quarter of Sachsenhausen would ever again think that Frankfurt's only business is money changing. Much of Sachsenhausen, which is just across the Main River from the downtown area, has been turned into a pedestrian zone, with shady trees and hundreds of outdoor tables where the weather is right.

The drink in Sachsenhausen is apple wine (hard cider) and the food to go with it includes smoked meats, sausages, cured pork chops and sauerkraut. You can get to Sachsenhausen on weekends aboard the "Apple Wine Express," a merry painted old streetcar with piped music.

Frankfurt has a noted zoo, a botanical garden (the Palmengarten), a full range of theatrical and musical offerings, museums, and shopping, notably along the Kaiserstrasse, that can hold its own with any other German city.

The mineral spa of Wiesbaden is only a short distance from Frankfurt, and it is a good place to catch a boat for a river tour of the prettiest part of the Rhine.

Wiesbaden's Wilhelmstrasse, lined on one side with elegant shops and cafes, connects the bustling city with the quiet spa district, the main fea-

ture of which is the "Kurpark," with the magnificent "Kurhaus" containing a gambling casino.

Beyond the "Kurpark," right adjacent to one another, are the German Clinic for Diagnosis and the Aulamm Hotel. The clinic may well be second only to America's Mayo Clinic in its field. It uses all of the most modern techniques (nuclear magnetic resonance, computerized ultrasound) to identify present and developing problems.

Patients come from all over Europe and the Middle East, and since 90 percent of the clinic's work is outpatient, the proximity of the first class Aulamm Hotel is very useful. The

There are articles in this section on the Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Hannover, Munich, Nuremberg and Stuttgart areas. Accompanying each is a box with details of American Express package arrangements, including accommodations at first class or deluxe hotels and a rental Mercedes or BMW, that will make a stay in the region particularly enjoyable.

restaurant at the Aulamm offers a warm ambience with local and international specialties and a large wine selection. The bar invites the guests to drinks and snacks and ample parking makes it easy to come by car.

Both Frankfurt and Wiesbaden sit at the foot of the Taunus Hills, a pretty stretch of countryside with many reminders of a royal past. At Bad Homburg, another elegant spa, we find a Siamese Temple and a Russian Chapel, donated respectively by the King of Siam and the Czar of Russia in the

days before World War I, when the spa attracted crowned heads. Another royal visitor was Britain's future King Edward VII, who liked a certain bar made in the city and made the Homburg bar standard attire for gentlemen. Kaiser Wilhelm II spent his summers in Bad Homburg and in 1904 was patron of the celebrated James Gordon Bennett Automobile Race.

The Taunus was also the place where the Kaiser's widowed mother, Empress Victoria, spent the last years of her life. She was the daughter of Britain's Queen Victoria and wife of Kaiser Friedrich, who reigned for only a few months before following his father into the grave.

Immediately after her husband's death, a Tudor-style palace was built for the empress in a big park at Kronberg, near Bad Homburg. It now is the "deluxe" Schlosshotel Kronberg, and the meeting place of international society. Guests are impressed with the splendid location, the art treasures and the individually decorated rooms with all comforts. The Schlosshotel Kronberg is the place to stay.

This particular part of Germany has many mineral baths because of the geology of the region. Among the numerous other spas near Wiesbaden is Bad Kreuznach, across the Rhine. It is a charming place with houses built on a bridge across the Nahe River, and it too once drew aristocratic patrons.

The "Kurhaus" there is now a Steigenberger first-class hotel that combines the ambience of another era with the comforts of the present day. It still has high-ceilinged bedrooms and generous terraces on all sides, and some of the food for the dining room is purchased at the Paris wholesale market. But it was recently renovated and also offers all the amenities the modern guest expects.

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The Gordon Bennett Cup

(Continued from page 7)

ald the approach of each car sounded for the first time. To hardly anyone's surprise it was Jenatton. After all, he had a seven-minute lead going into the race. Again the trumpet sounded, and this time the news was good for the German fans. It was Britain's Edge, and he had lost four full minutes to Jenatton.

Another trumpet sounded, this time with sobbing news for the German fans. It was France's Théry, who had started fifth but now was third. He had passed two other cars and his time on the first lap was a second better than Jenatton's.

All Europe was eagerly awaiting the results. Special telephone and telegraph centers had been set up at the Saalburg and journalists from all over were reporting the action. Crowds gathered around newspaper offices waiting for extra editions that would tell them how the race was going. The next day the Herald and many other papers were to devote much of their front pages to the race.

As other cars completed the first lap, it could be seen that Baron de Caters was driving well. Without the 14-minute delay he would have been right up with the leaders. But the 14-minute delay was a fact, and most fans knew that it was fatal.

Now a worrisome thought started spreading among the German fans. Where was Fritz Opel? It soon became clear that he was no longer in the race, and now Jenatton was the only hope of renewed glory for the Fatherland. Fans later learned that von Opel's steering linkage had failed, and that he had only made it to Usingen, the



James Gordon Bennett, Jr.

first community on the first lap.

By the completion of the second lap it was clear that Théry and Jenatton were the only real contenders. Edge was having serious mechanical trouble and didn't finish the race. Théry had improved his lead by the end of the second lap, but only by a few seconds. The Germans still had good reason to keep their hopes up.

Their hopes were dashed, however, when Jenatton had a slow third lap. Though he had

a very good fourth lap, and was the first to complete the race, the fans knew that their only hope now lay in some sort of misfortune for Théry. Optimists checked their watches. Théry had started 28 minutes after Jenatton. If he finished the race more than 28 minutes after Jenatton did, Jenatton was the winner. If not, the Frenchman was the winner.

In only 17 minutes the trumpets sounded and a dust cloud came into view far down the road. The Germans hoped against hope that it wasn't Théry.

But it was. There were tears in the victor's eyes as he stepped from the car, to be embraced by Henri Bessier, maker of the car, and Théry was carried off on the shoulders of his countrymen. The glad news was telephoned to the Bessier plant at Ivry, near Paris, and the workers there were given the rest of the day off.

The Kaiser called Bessier to the imperial box and offered his congratulations, but he left it to his brother, Prince Heinrich, to congratulate Théry. It is said that the subsequent events in

Homburg were more subdued than they otherwise might have been.

Actually, Germany had not done badly in the race. Jenatton placed second and despite his bad start Baron de Caters was fourth, after France's Henri Rougier in a Turcat-Méry. Théry's average speed over the 340-mile (548-kilometer) course was 54 miles (87 kilometers) per hour. France was the only country to have all three cars finish. Of the 18 starters, six, including Edge and Opel, did not finish.

The Gordon Bennett Race returned to France in 1905, and Théry won it once again. But this proved to be the last Gordon Bennett Race. The French Automobile Club was unhappy over the fact that each country could only enter three cars, no matter how many manufacturers it had. This might be enough for Switzerland or Belgium, but not for France. Gordon Bennett, however, felt that the proposed changes would alter the character of the race and withdrew his support. He later turned his energies to balloon, aircraft and motorboat events.

In the following year, 1906, the French Automobile Club established the Grand Prix, creating an institution that lives to this day in the automotive world.

A new coffee-table book, in German, provides a complete look at the significance of the Gordon Bennett races. The title translates roughly as "Intrepid Man — Panstatic Cars," and it tells the story of the Gordon Bennett races from 1900 to 1905. The text is supplemented by a profusion of photographs, colored illustrations and documents. ("Kühne Männer — Tolle Wagen"; 160 pages; 152 illustrations, 41 of them colored; publication date, May 18; Motorbuch-Verlag, Stuttgart; DM 68.)

As part of Bad Homburg's commemoration of the 1904 Gordon Bennett Race, the City Archive is holding an exhibition on the early days of motoring.

It will feature an authentic old automobile of the era and a number of nostalgic photographs, drawings, posters and other items. The exhibition can be seen May 22-31 at the Kurhaus and June 3-21 at the Gotisches Haus.

The Gordon Bennett Race, June 17, 1904, was the first international automotive sporting event ever to be held in Germany. With Kaiser Wilhelm II in attendance, it covered an 85-mile circular course in the Taunus Hills near Frankfurt, beginning and ending near Homburg. The same route will be used on May 23 this year for the Gordon Bennett Memorial Rally of vintage and historic cars.

The automobile in the display is a 1904 Piaggio, a very popular small car of the day and one that some speculate may well have won the race. The exhibition will also include horns, headlights, gasoline cans and other equipment of the day, and some of the clothing then worn by motorists.

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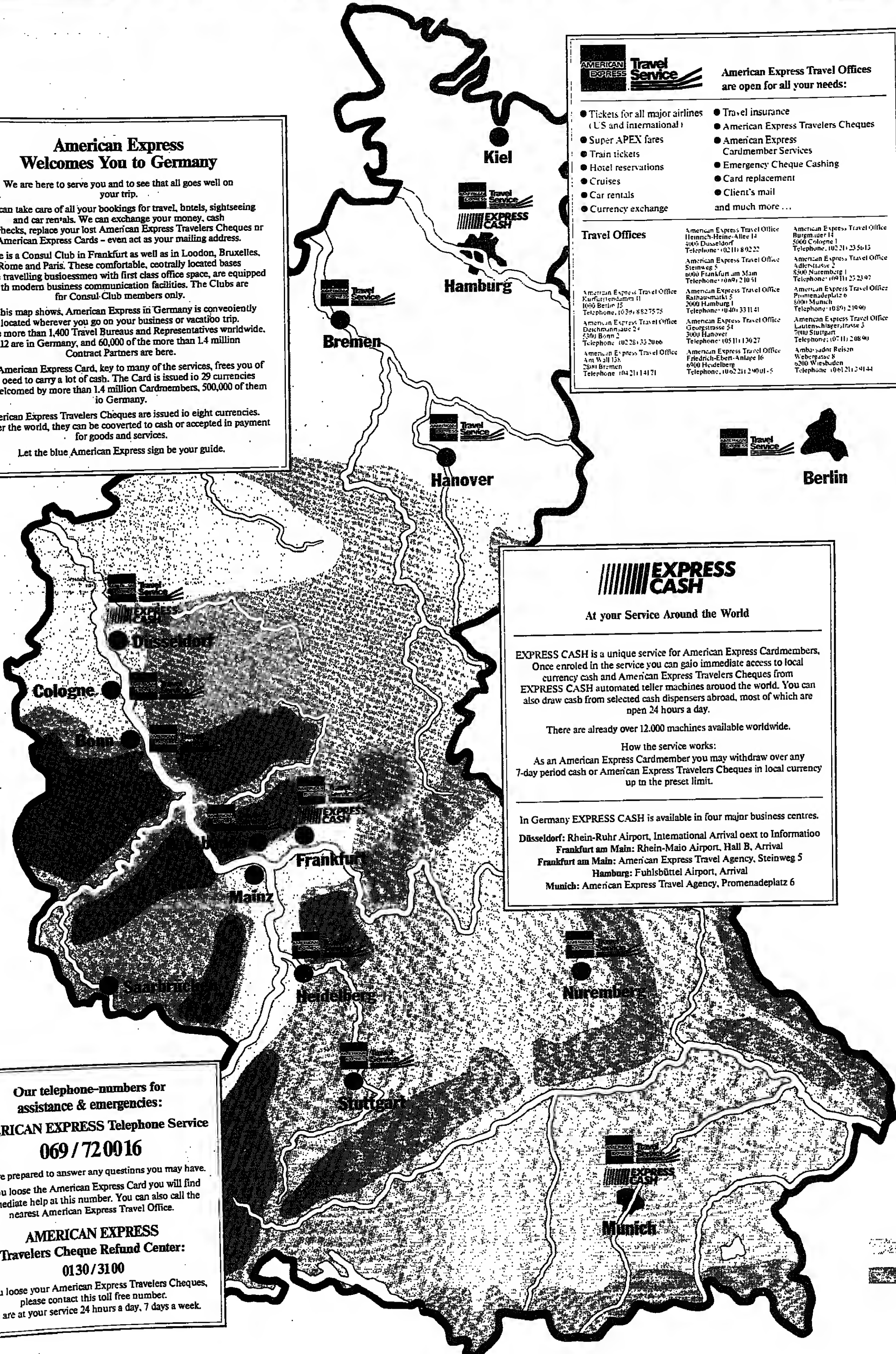
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Life in the Megalopolis: The Düsseldorf/Cologne Area

THE adjacent Rhineland cities of Düsseldorf and Cologne form the heart of a big megalopolis with much of Germany's wealth, culture, business and industry. In addition to these two cities, the region includes the federal capital of Bonn, the industrial Ruhr district and the pretty Bergisches Land.

Anyone who expects this area to have a grimy, industrialized look to it is in for a surprise. Pollution controls are strict, and much of the land remains in parks and forest. Castles and pretty villages have been preserved, and, indeed, often look even better than those in the more remote parts of the country, where there is less money to keep them in repair.

Düsseldorf probably is the grandest city of the area. It is a "front office" city, with the headquarters of many German firms and the German headquarters of many international ones. A concentration of management also means a concentration of wealth, and Düsseldorf is a center of fashion, with many fine stores. The best of these are on the broad Königsallee, better known just as the "Kö," which also has fine cafes where patrons can sit outside in the summer. Adjacent to the "Kö" is the very attractive old city, with many taverns and places in which to dine.

Near Düsseldorf is the rococo Schloss Benrath, and the Neanderthal, site of a very significant archaeological find. A museum there tells of the discovery in the last century of the remains of a human subspecies, an event that revolutionized our thinking about our ancestors.

To the east of Düsseldorf is a rolling, forested region known as Bergisches Land. One of its principal communities is Wuppertal, a very long and very narrow city because of its location in the deep valley of the Wupper River. This shape created a problem back at the turn of the century: how was public transportation to be provided in view of the lack of space for

the tracks? The solution was the "Schwebbahn," an overhead railway that carries its passengers above the streets, above the housetops and occasionally above the river.

On weekends from May to October visitors can take a unique excursion on the Schwebbahn. An elegant old car has been put back into service for these excursions, during which coffee and cake are served.

A good place to stay in the Wuppertal area is the Golfhotel Juliana, on the edge of a golf course in the Bergisch countryside just beyond the city. The hotel advertises that it "lies between Bergisches Land and the Kö." Relax, enjoy your favorite sport, try the excellent food and become acquainted with what the wine cellar can offer. The hotel is close to large cities and at the same time in peaceful surroundings.

To the south of Düsseldorf is Cologne, Germany's fourth largest city after Berlin, Hamburg and Munich. Its main feature is its twin-towered cather-

edral, an impressive sight in itself and a storehouse of artistic treasures. Nearby you can cross the Rhine by cable car, and just outside the city is Phantasieland, the nearest thing Germany has to Disneyland.

Still further south on the Rhine is the federal capital of Bonn, a former residence city with lots of baroque buildings. Bonn's whole downtown area is a carless pedestrian zone, the biggest in Germany. The government district is located to the south on the banks of the Rhine, and it is ordinarily pos-

sible for visitors to watch sessions of parliament. But the Bundeshaus is presently being renovated; the Lower House has temporary quarters, with little room for spectators.

The place to stay in Bonn is the Bristol Hotel on the splendid Poppelsdorfer Allee, right near the center of the city. Modern furnished rooms are air-conditioned and soundproof. An indoor swimming pool, a sauna and a solarium help to relax after an exciting day. The hotel is worthy of the many distinguished guests who come to this important capital.

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Welcome-present upon arrival in your room

Based on use of: BMW 318i Mercedes 200 aut.

GUNNEWIC BRISTOL HOTEL, Prinz-Albert-Str. 7, 5300 Bonn 1
Rate per person in twin: DM 603.— DM 642.—
Single arrangement: DM 910.— DM 988.—

GOLF HOTEL JULIANA, Mollathstr. 195, 5600 Wuppertal
Rate per person in twin: DM 480.— DM 519.—
Single arrangement: DM 730.— DM 807.—

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Hanover: City in the Green

SWARMS of foreign businessmen visit Hanover at the end of April for the big trade fair at Europe's largest and most modern fairgrounds.

They find Hanover a handsome "city in the green," with parks and forest areas reaching almost to the city center. One of the finest of those garden areas is the Herrenhausen Garden at the site of the palace of the former Hanoverian rulers.

laid out flower beds, clipped hedges, tree-lined avenues and fountains, one of which sends a plume of water 270 feet into the air.

The rulers who resided in the palace also sat on the British throne from 1714 to 1837, and include the hated "King George" to whom America's Declaration of Independence was addressed. Though the palace was destroyed in World War II, the garden is virtually unchanged.

Hanover's surroundings are also a delight. To the north is the dreamy Lüneburg Heath, an area of oak-shaded brick farmhouses in a landscape of heather and fantastically-shaped juniper bushes. And to the southwest is the rolling,

forested Weser Hills Country, full of pretty towns, vacation areas and health spas, and the birthplace of some of Germany's most popular legends.

The two principal cities of the Lüneburg Heath are Celle, on its southern edge, and Lüneburg, on its northern edge. It can almost be said that a trip across the heath is a trip from southern to northern Germany. Celle is a "storybook" half-timbered city, while Lüneburg is one of the very best examples of the pleasant red brick architectural style of Northern Germany and Holland.

Celle, a former princely residence, is a common starting point for trips by horse-drawn carriage out onto the heath. It was spared wartime damage

and has preserved its character, with many fine houses from the 16th and 17th centuries. One of these is a baroque palace dating from 1670, and set in a garden area near the city center. It now is the first class Hotel Fürstenthof Celle and, in contrast to many such buildings, it is just as baroque on the inside as on the outside. Go to the theater, play golf, use the indoor swimming pool; or make your own program and have a memorable weekend.

Lüneburg once was a center of salt mining, and kept the Scandinavian countries supplied with that mineral. It is at one end of the "Old Salt Road," over which the "white gold" was transported to the port of Lüneburg for further shipment. Lüneburg still offers brine baths and other salt "spas."

A good place to stop in the Lüneburg area is the romantic Hotel Josthof, off the beaten track in nearby Salzhausen. It looks back on more than a thousand years of history, and has been a hotel since 1628.

The Weser Hills country gets its name from the river that flows through it. The towns of Hamlin, Bodenwerder and Hannoversch Münden, all on the Weser, each have close associations with a legendary character. Hamlin, of course, is the site of the supposed feast of the Pied Piper, who piped first the rats and then children out of the town. It is a very picturesque place and a prime example of an architectural style known as "Weser Renaissance."

Bodenwerder, a bit upstream from Hamlin, is the home of the legendary spinner of tall tales, Baron Münchhausen, who told of riding on a cannonball and of a snow so deep that he tied his horse to the rip of a church steeple. Baron Münchhausen was a real man, though the stories about him were written by others. Hannoversch Münden is the final resting place of Dr. Eisenbart, who, according to legend, was a quack who shot out aching teeth with a pistol, used a sledge hammer to anesthetize patients and kept axes and saws as surgical instruments. Dr. Eisenbart, too, was a real man, and the stories are slanderous. He was a respected practitioner of medicine, such as it was, in his day.

All through the Weser Hills there are many pleasant vacation resorts and spas, including fashionable Bad Oeynhausen. The modern and comfortable Relaxa Hotel nearby offers all facilities for work, relaxation, and sports.

The Weser flows out of the hills at the Porta Westfalica near Münden, and from there flows across the flat, North German plain to empty into the North Sea at Bremerhaven. This "Wesphalian Gate" is a spectacular sight, with an imposing statue of Kaiser Wilhelm II atop one of the last hills.

The Northern Way: Hamburg and Bremen

THE proximity of the sea influences every aspect of life in Northern Germany and its principal cities of Hamburg and Bremen.

The prosperous region has numerous seaports. Shippers make their money from sea transport, while other businessmen process the raw material that comes from the sea. Bremen roasts coffee and makes cigars, Flensburg bottles rum and Hamburg refines oil and produces textiles.

Cuisine has been affected by the sea. Hamburg's Sunday morning fish market on the harbor is a big attraction for visitors. The city's most famous dish probably is eel soup, but it is known also for oysters, matjes herring (with sour cream, apples and onions) and for "labkaus," a typical seaman's stew made from fish, meat, boiled potatoes, mashed potatoes and pickles.

The night life in Hamburg's fun district of St. Pauli began as the place where sailors had their fling after weeks or months at sea. St. Pauli is notorious for the entertainment it offers — entertainment that may well not be to everybody's taste. But don't get the idea that it is a dangerous place. It is so crowded, well lighted and heavily patrolled that it is as safe as any other place in the city.

The flat, low-lying coastal area makes the canal an important route of commerce. Even Hamburg has a dense network of canals, and sightseeing tours on these, and on the harbor, are popular with visitors.

Hamburg has a big artificial lake right in the downtown area, with white sails dotting it when the weather is nice. The lake has five miles of shoreline, and touches some parks and villas. The city's "Fifth Avenue," the Jungfernstieg, is right on the banks of this lake, known as the Alster.

The sea has a heavy influence on the recreational life of the people of Northern Germany. They go sailing and boating on the inland waterways and along the coast, and there are many fine seaside resorts on the nearby North and Baltic Sea coasts.

The North Sea coast is known for its broad tidal flats, across some of which you can actually walk at low tide, barefoot, out to what will be an island when the tide comes in. Many of the islands are important resorts in themselves.



The Bremen marketplace.

Some of Germany's most fashionable resorts are on the nearly rockless Baltic Sea, particularly on Lübeck Bay. One such is Timmendorfer Strand, where we find the modern, luxurious Maritim Golf und Sport Hotel, at the edge of the forest, 450 feet from the waterfront. Heated indoor and outdoor pools, therapeutic baths, exercise rooms, a golf course, tennis courts and all sorts of other sports facilities beckon to an entertaining weekend.

Bremen is built largely in the typical red brick style that is so characteristic of Northern Germany, a style that can be best appreciated in two sections: the Böttcherstrasse and the Schnoorviertel. The narrow Böttcherstrasse, which now has the city's gambling casino, was created in the 1920s when a row

of artisan dwellings was converted into a museum street. The Schnoorviertel is one of the oldest parts of the city, with lots of magnificent patrician houses and cozy taverns. Bremen's city hall is a point of interest in its own right, and beneath it is Germany's best rathskeller, with a huge wine list.

The place to stay in Bremen is the lakeside Park Hotel, in a splendid green area near the city center. Though it is very conveniently located, it is nevertheless peaceful and quiet. Exclusively furnished rooms, excellent cuisine and a fine collection of wines have prompted many a visitor to stay longer than planned. And the general manager is always looking for people to jog with him in the park.

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MARITIM Golf- und Sporthotel, 2408 Timmendorfer Strand
Rate per person in twin: DM 549.— DM 588.—
Single arrangement: DM 808.— DM 885.—
* accommodations April 16, June 18, Sept. 14, Oct. 1, Nov. 1, 1987 other dates on request.

PARK-Hotel Bremen, Im Bürgerpark, 2800 BREMEN
Rate per person in twin: DM 564.— DM 603.—
Single arrangement: DM 837.— DM 915.—

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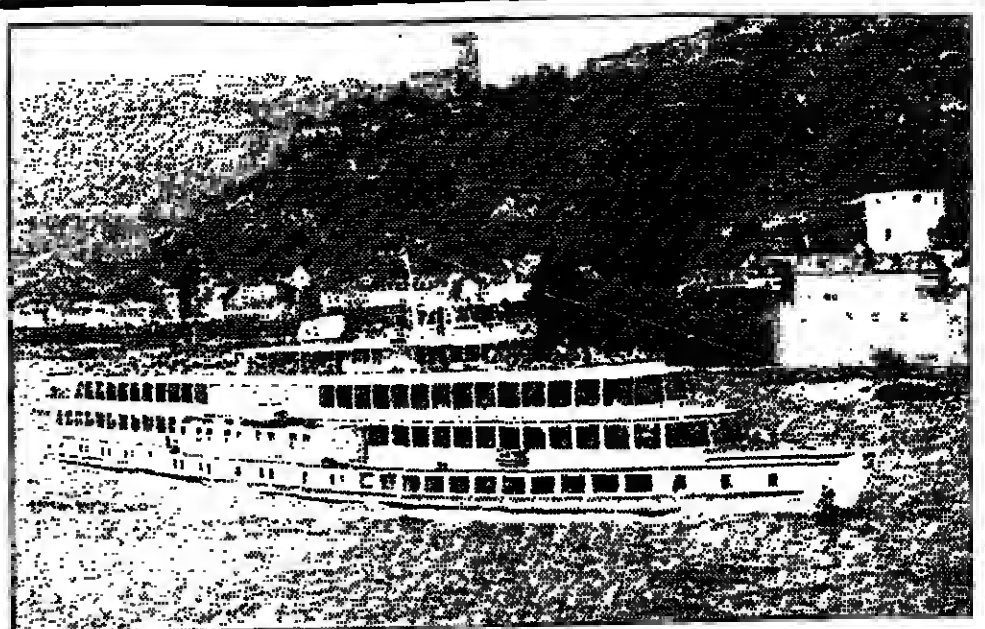
The Call of Father Rhine

IN Germany, an unmistakable sign of spring is the appearance of the KD German Rhine Line's white fleet on the waterway. The largest and most experienced passenger shipping company on what the Germans call "Father Rhine," KD operates 22 ships that last year catered for some 1.5 million passengers, traveling a total of almost 373,000 miles (600,000 kilometers) on the Rhine, Main and Moselle rivers.

A favorite outing for many visitors to Germany — as well as for the Germans themselves — is a cruise along the Rhine starting in Cologne or Mainz,

sailing past hilltop castles and vineyards, the legendary rock of the Lorelei and localities known from wine labels: Rüdesheim, Oestrich, Elville and Schloss Johannisberg. Passengers may sightsee while sipping excellent wines from KD's own cellars. (Service between Cologne and Mainz will be available through Oct. 25 this year.)

KD, which stands for Köln-Düsseldorfer (Cologne-Düsseldorf), also has ships for longer cruises that accommodate only about 200 passengers (compared with up to 3,000 on the Cologne-Mainz route) in a state of floating luxury. The passengers may do some on-board



The KD Wappen von Mainz sails by the Pfalz castle along the Rhine.

Wishing Berlin Happy Birthday

BERLIN this year is celebrating the 750th anniversary of its establishment, and a very large number of musical and theatrical events, exhibitions and folk events are planned to make the occasion a merry one.

The late 19th and early 20th centuries were a special period for Berlin, probably its heyday. As the capital of the German Reich at the peak of its glory, it was one of the world's most sophisticated and elegant cities, a place of music and the arts, of elegant ladies escorted by dignified officers and monocled gentlemen, into the cafes or along

the Unter den Linden, or parks and broad avenues flanked by hulking Victorian buildings. Amid the forests and lakes of Dahlem, Wannsee and Grunewald arose numerous villa colonies.

Tradition remains

Despite all that has happened since, traces of the old traditions remain. There still are cafes with string orchestras and potted palms. The bellhops in the Hotel Bristol Kempinski still wear the traditional uniform with the flat cap. Indeed, the whole hotel-restaurant complex is a custodian of Ber-

lin tradition. The Hotel Bristol Kempinski stands on the site of the celebrated Kempinski Restaurant, which drew gourmets and lovers of Berlin cuisine from 1862 until its destruction in World War II. Many of the features of the old restaurant, such as arched doorways and pink walls, were included when the place was rebuilt. The site has another traditional Berlin feature as well. The rebuilt Hotel Bristol, formerly a leading hotel on the Unter den Linden (now a part of East Berlin), shares the location with the restaurant.

Berlin's "island" location

isn't as oppressive as might be expected. The city is vast, the largest in Germany, with lots of parks and waterways. The rich cultural life continues, as the visitor has a choice of some 15 musical, operatic and theatrical performances a night. Berlin has a number of notable museums as well. The Gemäldegalerie has 26 Rembrandts and the famous bust of Egyptian Queen Nefertiti. A delight of the Berlin Museum is a very authentic reconstruction of a Berlin tavern of the pre-World War I era, with appropriate food and antique fixtures.

No closing hours

It is difficult to eat badly in Berlin. The standard is so high that anyone who establishes a mediocre restaurant would be quickly driven out of business. The restaurants offer everything from nouvelle cuisine to a profusion of foreign dishes. The city's own specialties are pig's knuckles with sauerkraut and peas pudding, butter-soft pike from the Havel River, curry sausages and a special variety of meatball known as a *bulente*.

The city is a fashion center, with more than 400 clothing manufacturers. The Kurfürstendamm alone is lined by no fewer than 1100 boutiques, gal-

eries, restaurants and shops. And, of course, there is Berlin's nightlife. In other German cities the law requires that night spots, restaurants and other haunts of people "on the town" close down at a relatively early hour. But there are no closing hours in Berlin. Full course meals may be, and are, served at 4 a.m. Bear in mind, however, that Berlin nightlife doesn't really get started until around 9 p.m. There are taverns with live bands, discotheques, beer palaces, cafes, restaurants that keep serving all night and, of course, that uniquely German institution: the political cabaret.

Swiss hospitality

Berlin's famous luxury hotel, the Schweizerhof, is at the center of the action, night adja-

cent to the Kaiser Wilhelm Memorial Church and the Tiergarten. Its hospitality is strictly Swiss, developed in a country that has raised hotel management to a high art.

A tour of the Wall is also common for the visitor to West Berlin. The west side of it now is completely covered with graffiti from one end to the other. Many people also visit East Berlin. The Unter den Linden, once the fashionable boulevard of the city, has been restored to its original glory in some parts. The Pergamon Museum, with works of art from ancient civilizations, is another good place to visit in East Berlin. And the royal residential city of Potsdam, with two palaces, is just outside West Berlin in East Germany.

Henkell sparkling wines got their start at about the same time as the automobile, and have grown up and expanded to become the most popular German sparkling wine around the world. Henkell Trocken was 10 years old at the time of the 1904 Gordon Bennett Cup race and became increasingly famous. In the first year of the new century, only 600,000 bottles of the dry sparkling wine were produced by the Wiesbaden company. By 1910, output had soared to 3 million. Today, more than 20 million bottles of Henkell Trocken are turned out and enjoyed around the globe. More than half the sparkling wine exported from Germany comes from Henkell, which last year merged with another Wiesbaden wine producer to become Henkell und Soblenz Sektkellerei.

Kempinski Hotels Celebrate 90th Anniversary

IT started in the days of the great hotels. At the turn of the century, Berlin was enjoying the fruits of peace and prosperity. It was not only the capital of the German Reich but also a major center of industry, commerce, finance and intellectual and cultural life. High society delighted in the glitter of the *belle époque*. People were on the move, drawn to this busy, expanding city.

So in 1897, a company was

set up to operate the Central Hotel and catering in the city. Quickly developing into Germany's largest hotel operation before World War I, it eventually became Kempinski AG, Germany's oldest hotel company.

The Central Hotel, one of the new grand-style "railroad hotels," stood across the street from the Friedrichsstrasse Central Station and included a popular cafe and the Variété Wintergarten, where acrobats,

singers, jugglers and other performers appeared under an artificial star-studded sky. The company went on to acquire the Hotel Bristol on Unter den Linden, which was one of Berlin's most beautiful and glamorous hotels of the day. The catering operation fed people at both the Reichstag, which housed the lower house of the German parliament, and the Zoological Garden.

As it expanded, the company took over the famous Café

Kranzler, then also on Unter den Linden, and Hamburg's stately Hotel Atlantic.

In 1953 the firm acquired sole ownership of M. Kempinski & Co. GmbH. For decades this name had been synonymous with Berlin's most exclusive restaurant, which was totally destroyed in World War II. The whole company changed its name to Kempinski AG in 1977.

Thus the great hotel tradition continues. Today, the

Kempinski name can be found on four luxury hotels in Germany: Bristol Hotel Kempinski Berlin, Atlantic Hotel Kempinski Hamburg, Hotel Gravenbruch Kempinski Frankfurt and Hotel Vier Jahreszeiten/Four Seasons/Kempinski Munich. Last year Kempinski, along with the German national airline Lufthansa and another partner, formed Kempinski Hotels S.A. to establish Kempinski hotels in the major cities of the world.

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Welcome-present upon arrival in your room

Based on use of: BMW 318i Mercedes 200 aut.
HOTEL SCHWEIZERHOF, Budapester Str. 21-23, 1000 BERLIN 90
Rate per person in twin: DM 583 — DM 621 —
Single arrangement: DM 900 — DM 978 —

Bristol Hotel KEMPINSKI, Kurfürstendamm 27, 1000 BERLIN 15
Rate per person in twin: DM 654 — DM 696 —
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| 10.04.-08.05. | 18th FBK Free Berlin Art Exhibition 1988* |
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Along the Route

(Continued from page 7)

Wilhelm's self-designed hunter's hat, but in gray instead of green, and in 1880 had a local firm, Möckel, make one for him. The soft rabbit-hair hat was soon seen on the best heads in Europe, replacing the stiff silk top hat and the bowler. The Hornburg also became popular in diplomatic circles. It has become an unofficial sym-



Wolfgang R. Assmann, mayor of Bad Hornburg.

bol of the town, which not surprisingly has its own hat museum.

(For more information about the hat museum and other local sights, contact the tourist office: Verkehrsamt, Im Kurhaus, Postfach 18 45, D-6380 Bad Hornburg, Telephone: 061 72 - 12 13 10/12.)

"Weilburg is the pearl of the Lahn Valley, a baroque resi-

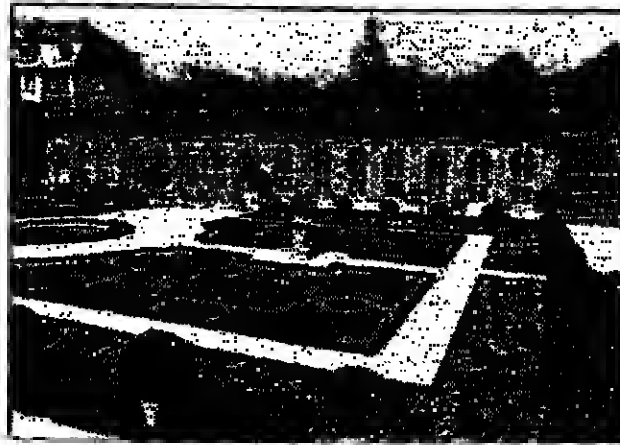
dence town, and so especially appropriate for the Gordon Bennett rally," says Georg Würmeling, district administrator.

The Lahn River, which originates in the basement of a forest ranger's office in the state of North Rhine-Westphalia, curves to the east to flow through this part of western Hesse, making an almost complete loop around the historical old town of Weilburg. Here on a high ridge is the castle where the counts and dukes of Nassau-Weilburg lived from 1355 to 1816. Weilburg itself is much older, and has been traced back to the Willenberg of 906.

The castle's main building was erected in the Renaissance style during the 16th century. But 200 years later, when new buildings and the gardens were added, the model was nothing less than Versailles. In 1890, the Duke of Nassau was elected Grand Duke of Luxembourg and the castle became the property of Luxembourg. It has belonged to the state of Hesse since 1945.

"The old ties with Luxembourg are still maintained," notes Würmeling. "Almost every year the duke comes to Weilburg, usually during the Castle Concert Festival."

In addition to courtyard concerts, the castle has a riding



The Weilburg castle hosts summer concert festival in its gardens.

school, baroque chapel, hotel and theater-conference center. The dual hunting grounds have become a wildlife park, with miles of walking paths. Seekers of uniqueness will find Germany's only canal tunnel in Weilburg and the country's only crystal cave in nearby Kurbach. There are guided tours through the town and its historic buildings.

(Tourist Office: Mauerstrasse 8, D-6290 Weilburg-/Lahn. Tel. 06471-314 24 or 3140.)

The rally drivers are also passing through the small town of Idstein, which originated almost 900 years ago as an outpost of the archbishop of Mainz's religious and economic interests in the Taunus highlands. The oldest structure is the citadel, also called the

Witches' Tower, or Hexenturm, which was started by the counts of Nassau-Idstein in 1355. Feeling cramped in the narrow tower, the counts' ancestors began the nearby castle in 1614. Idstein is justly famous for its many well-preserved medieval half-timbered houses, packed unusually close together. An outstanding example is Killingerhaus, between the town hall (Rathaus) and Unionskirche. The Union Church, a rare example of a Protestant church with brightly decorated walls and ceilings, received its

name in 1917 to commemorate the centennial of the union agreed upon in Idstein between the Lutheran and Reform churches in Nassau.

(Tourist office: Fremdenverkehrsamt Rathaus, D-6270 Idstein. Telephone: 06126-7 82 15 or 781.)

Also along today's route lies the town of Kronberg, part of Frankfurt's bedroom community as well as another attractive spa. This hilly, quiet oasis of parks, gardens and strollable woods has a carefully preserved medieval "old town" with half-timbered houses, narrow streets and fountains. Like the other towns mentioned, it is popular for local excursions (both Kronberg and Bad Hornburg can be easily reached by local trains — the S-Bahn — from Frankfurt).

Kronberg started as Burg Kronberg, the hilltop fortress of the knights of the Cronberg family in the early 13th century. Now a museum, it is not to be confused with the internationally famous and luxurious Castle Hotel Kronberg, which was built in 1893 as a Tudor palace lookalike for a Kaiser's British widow.

(For more information: Verkehrsverein Kronberg im Taunus e. V., Postfach 1280, Rathaus, D-6242 Kronberg im Taunus. Telephone: 06173-70 32 23.)

The Spirit of Munich

THOUGH it is Germany's third largest city and a major cultural center, Munich likes to consider itself a big city with a heart. "Gemütlichkeit" reigns in the city and amid the lakes and mountains of the countryside that surrounds it.

The warm, easygoing spirit of the Bavarian can be found everywhere, in the taxi driver, the shop clerk, the fellow from whom you ask directions on the street. But the main place to find "gemütlichkeit" is in the many cavernous beer halls, with their brass bands. People wave their beer mug and sway to the rhythm of the music, or even stand on the table and sing along.

Munich is also an architectural gem, with examples of Gothic, Renaissance, baroque and neoclassical architecture. And it has much to offer in the way of museums and musical and theatrical productions. Those whose tastes are a bit more on the Bohemian side will like the Schwabing district, with its intimate clubs and bistros.

Nymphenburg Palace, a big rococo summer residence for the Bavarian royalty, is set among lawns and fountains on

the outskirts of the city. Royal Nymphenburg porcelain is manufactured on the grounds and the factory can be visited. Also somewhat removed from the downtown area is the Olympic Park, site of the 1972 Olympics. A big tent-like roof covers a number of the facilities.

The area south of Munich is very inviting. First comes a series of sparkling lakes carved out by the retreating glaciers: the Ammersee, Starnbergersee, Chiemsee, Tegernsee and numerous smaller ones. After that come the Alps, parts of which are only 30 miles from Munich.

This region has some of Germany's top tourist attractions, notably the castles built in the last century by Bavaria's King Ludwig II. Probably the most recognized building in Germany is Ludwig's white marble Neuschwanstein Castle, which was actually modeled on storybook illustrations. It is located near Füssen in the Alps. Another of Ludwig's castles is Linderhof, a little rococo gem near Oberammergau. The third castle, Herrenchiemsee, was modeled after Versailles, and is located on a pedestrian island out in Lake Chiemsee.

Visitors seeking first-class

accommodation at Chiemsee can find it at the Yachthotel Chiemsee at Prien. It is located right on the water with its own boat landing. All sorts of water sports are at the visitor's disposal, but at the same time he can have a physical checkup and some therapy if he is in the mood to combine this with some vacation.

The fashionable Hotel Bachmair is located right on the shorefront of the Tegernsee at Rottach-Egern. It has rustic architecture and rustic cuisine, but also would class cuisine, arcades of elegant shops, a nightclub featuring international stars and a beauty farm. Share the experience of a stay at this exclusive hotel with prominent members of international society.

Another attraction at Tegernsee is an old steam train that never fails to delight the

railway buff. There is a similar "puffer" at Chiemsee.

Another key spot in this Upper Bavarian region is Berchtesgaden, with Hitler's "Eagle's Nest" retreat on a mountain-top, the deep blue Königssee Lake with mountains plunging almost vertically into it, and a salt mine with caverns that resemble cathedrals.

Garmisch-Partenkirchen is a winter resort and starting point for a ride to the top of the Zugspitze, Germany's highest peak. Nearby Oberammergau is a center of religious wood carving and the workshops can be visited. It is in Oberammergau that, in response to a vow made in 1634, the last days of Christ's life are reenacted every ten years in the famous Passion Play. Though there will be no performances until 1990, the theater in which the play is held can be visited at any time.

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Real Estate Firm to Add New Branches

WOLFFSTADTER Immobilien Gmbh specializes in selling top private real estate and in the sale, renting and leasing of commercial property and space. Up to now this Frankfurt firm has concentrated mostly on selling private property locally, but it plans to expand to other key German business areas.

At the beginning of this year, an office was opened in Schwetzingen on the Rhine-Neckar region (Mannheim, Heidelberg and Ludwigsha-

fen), and offices are planned for the Stuttgart and Munich areas. Wolffstadter's individual customers are primarily board members of Frankfurt-area banks and industrial companies as well as lawyers, dentists and other professionals. But expansion is necessary to meet the needs of domestic and foreign companies looking for real estate in Germany. Wolffstadter, which emphasizes an advisory role, has recently received a number of inquiries from Japanese firms interested in locating in Germany.

Stuttgart Splendor: From Castles to Cars

STUTTGART is a magnet for lovers of luxury cars. Both the Mercedes and Porsche factories are located there, as everyone knows who has taken delivery of one of those cars in Stuttgart. Both plants have museums and conductor factory tours.

The city is quite picturesque, lying in a deep valley with forested hills and steep vineyards as a backdrop. Some of the older parts of town are also built on steep hillsides, and in places stone steps replace streets.

The city now is the capital of the state of Baden-Württemberg and before that was the seat of the kings and dukes of Württemberg. This explains why there are a number of palaces in the city. One of these, the New Palace near the railway station, is used for government offices, and is the starting place for a big garden that runs all the way to the Neckar River, a mile away.

The countryside around Stuttgart is magnificent. When it comes to aristocratic residential cities, there are few that can top Ludwigsburg, just outside Stuttgart. Early in the 18th cen-

tury, one of the Württemberg dukes, Eberhard Ludwig, moved his court from Stuttgart out to a huge, newly completed ducal palace at Ludwigsburg. Other palaces were built soon afterward, notably the little baroque Favorite Palace and the lakeside Monrepos. These and other baroque structures are all set in a landscape of lawns, ponds and gardens for a very harmonious whole.

Schlosshotel Monrepos (Monrepos Palace), with a lake on one side and an avenue of chestnut trees on the other, is a first-class hostelry. Meals are served on chinaware from Ludwigsburg's own porcelain factory. An added attraction is the 18-hole golf course nearby.

The Stuttgart area is the gateway to the Black Forest, one of Germany's best-known tourist regions. Americans probably know the area best as the home of the cuckoo clock, the manufacture of which is centered around Villingen. The Black Forest is so called because its close-packed evergreen trees shut out the sunlight, and because it was so forbidding that few dared venture into its interior during the Middle Ages. This

explains all the legends about elves, gnomes and witches.

The Black Forest is a place where the people cling to their traditional costumes. They build big, broad-eaved farmhouses, where living areas, work areas and stables all are contained under one roof. It is a major winter sports area.

A principal city of the Black Forest is Baden-Baden, known as a very fashionable resort. Though its mineral springs had been popular ever earlier, its climb to becoming an aristocratic spa began in the early 18th century, when it became the summer residence of the grand dukes of Baden. Soon after that it acquired a casino

and the Ifezheim race track and began attracting nobility from all over, especially from Eastern Europe.

Baden-Baden still is popular as a health resort. A recommended hotel for discriminating visitors is the four-star Golf Hotel. Three-hundred-and-fifty feet above the downtown area and situated in a large private park, it is well removed from the bustle. It offers more sport facilities than any other hotel in the city. If you prefer to leave your car at the hotel, a direct bus ride takes you right into the city. The hotel has been in the same family since 1895, and the personal touch and care are obvious wherever you are.

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- Internationales Spielcasino Aachen
- Spielcasino Bad Oeynhausen
- Spielbank Hohensyburg DORTMUND
- Spielbank Bremen Böttcherstraße

Franconia: A Ride down Romantic Road

FRANCONIA probably comes as close as any part of Germany to living up to the country's image. It's a place of forests, beer, artisans and clever gadgetry.

The Franconian capital of Nuremberg became a commercially important center about 600 years ago. This is partly because it was at the junction of several important trading routes, which kept it supplied with raw materials and new ideas.

Another factor was the traditional diligence of the Franconians. Spurred by relatively easy access to the markets of Europe, they turned to a variety of crafts: goldsmithing, wood carving, tin working, toy making, watchmaking and lots of other things. Among the great names of Nuremberg are Peter Henlein, inventor of the pocket watch; Martin Behaim, who made the first world globe; wood-carver Vic Scoss; cobbler-poor Hans Sachs; sculptor Adam Kraft, and of course, Albrecht Dürer. Other everyday items invented in Nuremberg include wire, the pencil and the toy top.

This combination of artistic skills and wealth made Nuremberg a very beautiful city, and, though it was extensively damaged in World War II, it has been rather well restored. The visitor still gets a vision of walls, towers and rooftops clustered beneath the hulking hill-top castle. Albrecht Dürer's house has been restored, and visitors to get an insight into the life of a 15th-century patrician family.

Other points of interest include a Toy Museum, emphasizing the big role the city played in this field, and a Transport Museum, which reminds us that Nuremberg was one of the terminals of Germany's first railroad.

An authentic Nuremberg food specialty is the finger-sized pork sausage served in quantity on a mound of sauerkraut. And the *lebkuchen*, a very rich cookie of ground almonds, candied fruit, honey and spices, also originated in Nuremberg.

A number of famous smaller cities are within easy reach of Nuremberg. One of them is the celebrated medieval city of Rothenburg, which appears little changed since the Thirty Years War. It also has the appearance of a stage setting covering several acres.

Maximum use is made of all this. The "town crier" walks the cobbled streets by night with his broad-brimmed hat, lantern and horn. There is a museum of medieval torture instruments, a doll and toy museum and a marionette theater. Rothenburg also has an incredible store that sells German Christmas items: tree ornaments, decorations, wrapping paper, toys, Advent calendars and the like, the whole year round.

The first-class Hotel Eisenhut, right in the center of town, fits perfectly into this setting. It is formed from several patrician houses of the 15th and 16th centuries, and is full of nooks, crannies and all the appropriate furnishings. For all that, how-

ever, it has modern comforts too. Dignified hospitality and the highest of quality, today as well as in the past: that is what the name "Eisenhut" stands for.

Rothenburg is on the "Romantic Road," which strings together a number of the region's most picturesque towns, including Dinkelsbühl, with a water setting, and Nördlingen, with a completely intact city wall on which the whole town can be circled in 45 minutes.

Not all of Franconia's picturesque towns are on the Romantic Road. Bamberg, to the north of Nuremberg, can hold its own with any of them. Its special beer has a smoked flavor, like ham.

Bamberg's 150-year-old Romanik Hotel Weinhaus Messerschmitt combines first-class comfort with the flavor of the 1000-year-old city. Try the golden Franconian wine in the

cozy Hubertusstube, and when you find a vintage you like particularly, get a few bottles at the hotel's wine shop for later enjoyment at home. Outsiders associate the name Messerschmitt more with an airplane than a hotel. It is so coincidental. Aircraft builder Professor Willy Messerschmitt is of the old Bamberg family that operates the hotel. But the hotel precedes him by several generations. It now is in the hands of the sixth generation.

Other Nuremberg area communities of tourist interest include Kulmbach, overlooked by a big medieval fortress that now contains a tin figure museum, and Selb, home of the Rosenthal and Hutschenreuther porcelain factories.

And there is the Richard Wagner city of Bayreuth. The composer's home is now a museum, and the Festival House, especially built to Wagner's wishes, is the site of the Wagner Festival each summer.

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Berlin Strengthens Position as Trade Fair Capital

WITH over a century of trade fair experience behind it, Berlin continues to be a major convention center, regularly organizing events of international scope. Since 1979, the International Congress Center Berlin has enriched the city with a communications center and, after eight active years, underscored Berlin's claim to being one of the leading convention cities of the world. Berlin profits in several ways from the long list of national and international conferences and meetings. Convention visitors bring along buying power; the convention business creates and preserves jobs in the city; and, not least of all, media coverage gives worldwide publicity to events in the ICC Berlin, providing Berlin with a considerable increase in prestige throughout the world.

More than 3,500 conventions and 650 cultural and entertainment events have drawn 3.1 million visitors to ICC Berlin since its opening. According to the latest report by Brussels-based Union of International Associations (UIA), whose annual statistics record meetings by international associations, Berlin remains uncontested as Germany's number one convention city and ranks seventh in the world, after Paris, Lon-

don, Geneva, Brussels, Madrid and Vienna. The international utilization quota — an average of 75 percent — and the remarkable status of advanced bookings for national and international conventions through the end of the century, justify the construction of the ICC Berlin as an important infrastructure investment in the future of the city.

Of those 3.1 million visitors to ICC Berlin events since 1979, some 473,000 have come from outside the city. Their purchasing power is estimated at 516 million DM (\$286 million), a significant figure which translates into increased sales in restaurants and hotels, in cultural and entertainment areas and in the retail sector, which in turn raises tax revenues.

These quantitative results, together with the successful work of the ICC's professional team, have in recent years received international recognition. In 1986, for the third consecutive year, the readers of *Conferences & Exhibitions International*, a European magazine published in Britain, voted the ICC Berlin best convention center of the year. These readers, the sponsors and organizers of national and international conventions, based their choice on the overall impression and multifunctional aspects of ICC

facilities, their modern and technical equipment and ICC's organization and execution of events.

Today, no convention hall in the world can exist without an attractive environment. Berlin provides a favorable location for the convention business because of its economic, scientific and cultural institutions, the technical and scientific potential of its two universities and its productive research institutes. Good transportation links constitute an additional trump card.

Recent technological developments have generated a profusion of new subject matters that, in turn, generate the need for new forums. The ICC Berlin makes its contribution as a communications and service center. Its events facilitate the dialogue between business and science and make possible the transfer of know-how from and to Berlin. Technical development creates further specializa-

tion, strengthens the need for further training, contributes to the founding of new special-interest associations and creates the need for more trade fairs.

With 80 meeting rooms that can accommodate from 20 to 5,000 people, an extensive lobby floor and direct connection to the Berlin Fairgrounds, the ICC Berlin offers ideal conditions for adapting to the needs of conventions and exhibitions.

Despite increasing competition on the worldwide convention market, the outlook for the ICC Berlin continues to remain favorable. Large-scale events such as the World Congress for Dermatology 1987, with 7,500 participants, the meeting of the World Bank and the International Monetary Fund 1988, with an expected 11,000 people, the World Congress for Chemotherapy 1991, with 10,000 delegates, and the World Congress for Cardiology 1994, with 12,000 attending, as well as hundreds of small- and medium-sized gatherings that are already firmly booked for into the next decade — all these bode well for the successful continuation of ICC Berlin.

Ladies and Gentlemen, Place Your Bets

AMONG the newest of Germany's 29 gambling casinos are the three in the state of North Rhine-Westphalia. The first of the trio was opened in the historical city of Aachen in 1976, followed by state-licensed establishments in the spa town of Bad Oeynhausen and in the city of Dortmund.

All three are operated by Westdeutsche Spielbanken GmbH & Co. KG, a wholly owned subsidiary of the Westdeutsche Landesbank, which among other banking activities serves as the State central bank of North Rhine-Westphalia. These casinos were not opened to encourage more people to gamble but to provide attractive centers for a varied art and entertainment program in key locations throughout West Germany's most populous state. The casinos support and organize regional, social and sports events. They also educate the public on legal gambling, which in Germany must be licensed by the individual states, and have provided infor-

mation to more than 850 groups. The plan calls for a possible fourth casino to be opened in the state.

In addition, the three casinos annually contribute about \$14 million to their own welfare foundation to aid handicapped children and older persons.

The Internationales Spielcasino Aachen, housed in a stately resort hotel and casino built in 1910, is located in the spa area of Aachen. Twelve roulette tables provide most of the action, although there are also four tables for blackjack and two for baccarat. Slot machines are not a fixture here. Betting starts at 3 p.m. daily, and in all German casinos, guests are required to dress for the occasion (tie and jacket for men; guests in black tie or gowns are not uncommon. Last year, 282,000 people tried out their luck at this establishment.

Among the additional distractions is a two-star restaurant that has won acclaim as a gourmet trendsetter in West Germany. It was the first feature in a nationwide television series

on outstanding German restaurants.

Spielcasino Bad Oeynhausen, which has been dubbed "Westphalia's Gateway to Good Luck," is located in a warm-springs health resort between Hannover and Osnabrück. Here the visitor will discover 59 slot machines and almost as many electronic roulette machines, which have a somewhat larger turnover than the eight roulette tables and two blackjack tables. (The usual mandatory dress code in German casinos does not apply to machine players.) Close to 240,000 luck-seekers passed through this gateway last year. And when they weren't gambling, they could enjoy the casino bars, Park Café and the Restaurant Lenné. The casino opens at 3 p.m. daily.

Spielbank Hohensyburg lies in the south side of the Ruhr industrial city of Dortmund, conveniently close to superhighways (Autobahn) A1 and A45 and with parking space for 600 cars. This is the most popular of the three casinos, drawing

more than one million people last year. Visitors may choose between 120 slot machines, 38 electronic roulette games, 18 roulette tables, four blackjack and two for baccarat tables. Betting starts at 1 p.m. Last year, La Table, a luxury French restaurant, was opened in the new casino and has won recognition for its excellent cuisine. It is open in the evening. Also on the premises are a bistro, a pub and a bar.

In their advertising, these three casinos work together with the Spielbank Bremen in the northern city-state. The Bremen operation has three separate facilities. Roulette and blackjack are reserved for the casino at 3-5 Böttcherstrasse, a pedestrians-only historic street, with two bars and the Flett restaurant for local specialties. Gambling machines are located at 14-18 Breitenweg, near the Main Railway Station, and 3 Theodor-Heuss-Platz. Böttcherstrasse opens at 3 p.m., while the machines are in operation at the other two locations from noon on.

The "New" Frankfurt: Geared to Tourism

"STAY a while" could be the motto of Frankfurt's tourist officials, who are trying to tell the world that there is more here than banks, business and the busy airport. True, this compact city on the Main River has Germany's tallest bank buildings, but here too are more half-timbered houses than in medieval Miltenberg, in the nearby Maintal (Main Valley).

The practical decision to shovel away wartime rubble to make way for broader streets for cars and local transportation helped pave the way for Frankfurt to become the capital of Germany's *Wirtschaftswunder* (Economic Miracle), but was not calculated to win any awards in a "my favorite city" contest. Frankfurt has undergone an expensive facelift in recent years after almost three postwar decades in which it was better known for the bawdy than for the beautiful. The visitor should forget how easy it is to get out of this city and enjoy the "new" Frankfurt.

The bombed-out eyesore of the *Alte Oper* (Old Opera) has been returned to its 19th-century magnificence, a row of half-timbered houses restored to their place facing city hall (*Römer*) and museums opened or planned on both sides of the Main.

Pedestrian zones in the center of the downtown area encourage people to slow down and stroll. Restaurants and taverns have set out their tables and chairs on the same streets. Busy, bustling Frankfurt has

become a city for casual walking and for sitting down to look at the walkers in turn.

The visitor has really not savored Frankfurt until he has explored the *Alte Oper* and the *Fressgass* (literally, Feed Lane), a pedestrian street known for its food shops and restaurants which leads into the main shopping area, with its own pedestrian mall. A turn to the right takes one toward the city hall area, also worth investigating before your plane or train departs. Here is the cathedral, where the heads of the Holy Roman Empire were crowned for centuries, the small, nearly 700-year-old St. Nicholas Church, and a few steps away, the Main River and the landing stage for river excursion ships which also sail into the nearby Rhine.

Facing city hall is one of Frankfurt's 22 museums and there are more along the river. The city boasts that its architecture and cinema museums are unique in West Germany. Millions of years of evolution are on display at the internationally esteemed Senckenberg Museum of Natural History, and long before Frankfurt's facelift, the local zoo and the Palmengarten botanical gardens were attracting visitors on their own merits.

The visitor will still find plenty left to do. Not to be forgotten of course is the sampling of the ever-so-humble sausage that has made Frankfurt a household word around the world.

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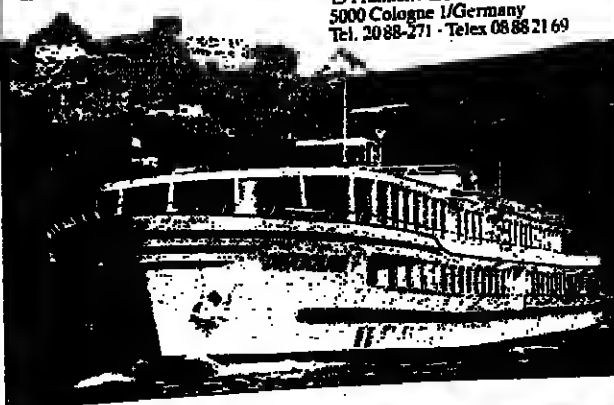
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| NYSE Most Actives | | | | |
|-------------------|---------|---------|---------|-------|
| Symbol | High | Low | Last | Chg. |
| IBM | 115 1/4 | 114 3/4 | 115 1/4 | + 1/8 |
| AT&T | 48 1/2 | 48 1/8 | 48 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |

| Market Sales | | | | |
|--------------------|-------------|--|--|--|
| NYSE 4 a.m. volume | 135,822,000 | | | |
| NYSE prev. close | 1,976,244 | | | |
| NYSE 4 p.m. volume | 1,976,244 | | | |
| NYSE prev. close | 1,976,244 | | | |
| NYSE 4 a.m. volume | 1,976,244 | | | |
| NYSE prev. close | 1,976,244 | | | |

| NYSE Index | | | | |
|-------------|----------|----------|----------|-------|
| Composite | 1,976.24 | 1,976.24 | 1,976.24 | +0.00 |
| Industrials | 1,976.24 | 1,976.24 | 1,976.24 | +0.00 |
| Utilities | 1,976.24 | 1,976.24 | 1,976.24 | +0.00 |
| Finance | 1,976.24 | 1,976.24 | 1,976.24 | +0.00 |

Friday's NYSE Closing
Via The Associated Press

| AMEX Diary | | | | |
|--------------|-----|-----|-----|-------|
| Advanced | 100 | 100 | 100 | +0.00 |
| Declined | 100 | 100 | 100 | +0.00 |
| Unchanged | 100 | 100 | 100 | +0.00 |
| Total Issues | 100 | 100 | 100 | +0.00 |
| New Highs | 100 | 100 | 100 | +0.00 |
| New Lows | 100 | 100 | 100 | +0.00 |

| NASDAQ Index | | | | |
|--------------|----------|----------|----------|-------|
| Composite | 1,976.24 | 1,976.24 | 1,976.24 | +0.00 |
| Industrials | 1,976.24 | 1,976.24 | 1,976.24 | +0.00 |
| Utilities | 1,976.24 | 1,976.24 | 1,976.24 | +0.00 |
| Finance | 1,976.24 | 1,976.24 | 1,976.24 | +0.00 |

| AMEX Most Actives | | | | |
|-------------------|--------|--------|--------|-------|
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |

| Dow Jones Bond Averages | | | | |
|-------------------------|-----|-----|-----|-------|
| Bonds | 100 | 100 | 100 | +0.00 |
| Utilities | 100 | 100 | 100 | +0.00 |
| Industrials | 100 | 100 | 100 | +0.00 |

| NYSE Diary | | | | |
|--------------|-----|-----|-----|-------|
| Advanced | 100 | 100 | 100 | +0.00 |
| Declined | 100 | 100 | 100 | +0.00 |
| Unchanged | 100 | 100 | 100 | +0.00 |
| Total Issues | 100 | 100 | 100 | +0.00 |
| New Highs | 100 | 100 | 100 | +0.00 |
| New Lows | 100 | 100 | 100 | +0.00 |

| Odd-Lot Trading In N.Y. | | | | |
|-------------------------|-----|-----|-----|-------|
| Buy | 100 | 100 | 100 | +0.00 |
| Sales | 100 | 100 | 100 | +0.00 |
| Total | 100 | 100 | 100 | +0.00 |

| Dow Jones Averages | | | | |
|--------------------|-----|-----|-----|-------|
| Open | 100 | 100 | 100 | +0.00 |
| High | 100 | 100 | 100 | +0.00 |
| Low | 100 | 100 | 100 | +0.00 |
| Last | 100 | 100 | 100 | +0.00 |
| Chg. | 100 | 100 | 100 | +0.00 |

| Standard & Poor's Index | | | | |
|-------------------------|-----|-----|-----|-------|
| Industrials | 100 | 100 | 100 | +0.00 |
| Utilities | 100 | 100 | 100 | +0.00 |
| Finance | 100 | 100 | 100 | +0.00 |
| SP 500 | 100 | 100 | 100 | +0.00 |

| NASDAQ Diary | | | | |
|--------------|-----|-----|-----|-------|
| Advanced | 100 | 100 | 100 | +0.00 |
| Declined | 100 | 100 | 100 | +0.00 |
| Unchanged | 100 | 100 | 100 | +0.00 |
| Total Issues | 100 | 100 | 100 | +0.00 |

| AMEX Stock Index | | | | |
|------------------|-----|-----|-----|-------|
| High | 100 | 100 | 100 | +0.00 |
| Low | 100 | 100 | 100 | +0.00 |
| Close | 100 | 100 | 100 | +0.00 |
| Chg. | 100 | 100 | 100 | +0.00 |

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Dollar and Bonds Boost NYSE

NEW YORK — Prices on the New York Stock Exchange advanced in quiet, pre-holiday trading Friday as firm bond prices and a steady dollar gave the Dow Jones industrial average its first double-digit gain in more than a week.

The Dow rose 17.43 points to close at 2,243.20. But for the week, which began with three straight losing sessions, the Dow retreated 29.32 points. On the day, advancing issues outpaced declines 4-6.

Volume totaled 135.82 million shares, down from 164.85 million Thursday.

Broad market indicators also advanced ahead of the three-day Memorial Day weekend. The New York Stock Exchange composite index rose 0.88 point to 1,976.24. The price of an average NYSE-listed share rose 24 cents, while Standard & Poor's 500-stock index climbed 1.99 points to 232.16.

"It was a semi-holiday all day long, and with very few people doing anything, it became a matter of following the ups and downs of the bond market," said Jack Baker, head of equity block trading at Shearson Lehman Brothers.

Mr. Baker said that the market might be ready for an additional rally next week.

"A lot of people are surprised that the market did not break down at the end of the week," he said. "We saw a reasonably good rally."

Participants said that the market's rise was a typical pattern for trading ahead of a holiday weekend. But they said that buying was cautious.

"A lot of people aren't interested in going home with big positions before a long holiday weekend," observed Alan Ackerman, senior vice president of the Herzfeld & Stern division of Gruntal & Co.

A spate of government economic reports, released before the market opened, produced figures in line with expectations. But analysts said that the 0.4 percent rise in the Consumer Price Index and the 4.1 percent growth in the gross national product in the first quarter indicated that some of the market's inflation fears were exaggerated.

The calming of inflation worries buoyed the bond market, whose investors are extremely sensitive to rises in retail prices. But precious metals, a traditional haven against inflation, dropped sharply in price.

Northeast Utilities was the most active NYSE-listed issue, rising 3/4 to 22 1/2.

Harcourt Brace Jovanovich followed, falling 2 1/4 to 43 1/2. It is preparing a defense against a hostile 544-share takeover bid it received Monday from Robert Maxwell, the British publisher. Warner Communications was third, rising 3/4 to 32.

Among computer stocks, Digital Equipment jumped 5 1/4 to 154 1/4 after several Wall Street analysts recommended it, 11 1/2 5/8 Thursday.

Cray Research fell 2 1/4 to 99 1/4 after dropping 6 Thursday when several analysts reduced their estimates of the company's earnings.

| Symbol | High | Low | Last | Chg. |
|--------|---------|---------|---------|-------|
| IBM | 115 1/4 | 114 3/4 | 115 1/4 | + 1/8 |
| AT&T | 48 1/2 | 48 1/8 | 48 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |

| Symbol | High | Low | Last | Chg. |
|--------|---------|---------|---------|-------|
| IBM | 115 1/4 | 114 3/4 | 115 1/4 | + 1/8 |
| AT&T | 48 1/2 | 48 1/8 | 48 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |

| Symbol | High | Low | Last | Chg. |
|--------|---------|---------|---------|-------|
| IBM | 115 1/4 | 114 3/4 | 115 1/4 | + 1/8 |
| AT&T | 48 1/2 | 48 1/8 | 48 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |

| Symbol | High | Low | Last | Chg. |
|--------|---------|---------|---------|-------|
| IBM | 115 1/4 | 114 3/4 | 115 1/4 | + 1/8 |
| AT&T | 48 1/2 | 48 1/8 | 48 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |

| Symbol | High | Low | Last | Chg. |
|--------|---------|---------|---------|-------|
| IBM | 115 1/4 | 114 3/4 | 115 1/4 | + 1/8 |
| AT&T | 48 1/2 | 48 1/8 | 48 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |

| Symbol | High | Low | Last | Chg. |
|--------|---------|---------|---------|-------|
| IBM | 115 1/4 | 114 3/4 | 115 1/4 | + 1/8 |
| AT&T | 48 1/2 | 48 1/8 | 48 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |
| Amgen | 52 1/2 | 52 1/8 | 52 1/2 | + 1/8 |

May 20 1987

Table listing various statistics such as S&P 500, NYSE, and other market indices.

ECONOMIC SCENE

Answer to Savings Mystery: The Budget Deficit Did It

By LEONARD SILK

NEW YORK — Foreigners now supply more savings to the U.S. economy than do Americans. In 1986, the inflow of foreign savings to the United States totaled \$142 billion, or 3.4 percent of the gross national product, while domestic savings amounted to only \$83 billion, or 2 percent of GNP.

That development is worrying William C. Freund, chief economist emeritus of the New York Stock Exchange, who has just completed a study, "Investment and Saving: The Engine of Economic Growth," for the Equitable Life Assurance Society of the United States.

If foreigners had not come to the rescue, the United States would have had a colossal shortage.

He agreed with Paul A. Volcker, chairman of the Federal Reserve, that the volatility in exchange and interest rates "provided a little taste of how vulnerable our markets and economy have become to the expectations of foreign investors."

Even with the huge inflow of foreign savings, the savings rate in the United States fell to 6.1 percent in 1981-86, compared with 8 percent in the 1970s. Without the foreign savings, the net domestic savings rate was just 2 percent in 1986, compared with an average of 7.1 percent in the 1970s, 7.5 percent in the 1960s and 7.1 percent in the 1950s.

Part of the explanation for this steep decline in domestic savings is that personal savings, which averaged 5.5 percent of GNP in the 1970s, dropped to 2.7 percent in 1986. (GNP measures the total value of a nation's goods and services, including income from foreign investments.) Corporate savings, represented by net corporate earnings, rose slightly to 2.6 percent in 1986, from an average of 2.5 percent in the 1970s.

Thus, total private savings came down to 6 percent in the 1980s, a significant but not disastrous fall from the rates of 7.5 percent, 8.2 percent and 8 percent in the 1950s, 1960s and 1970s.

BUT THE leading cause of the drop in the domestic savings rate in recent years has been the swelling of the U.S. budget deficit. Budget deficits count as "dissaving," which must be financed by foreign or domestic savers.

That percentage exploded to 5.2 percent in 1983 and was still at 4.8 percent in 1986. State and local governments run a small surplus in 1986, but total governmental dissaving still amounted to 3.3 percent of GNP.

As a result, net domestic savings fell to a mere 2 percent in 1986, compared with an average of 7.2 percent in the three preceding decades. If foreigners had not come to the rescue, Mr. Freund maintains, the United States would have had a colossal savings shortage, which would have "decimated investment plans and economic growth."

The solution to the savings deficit, he says, is to cut the federal deficit. Based on history, he sees little prospect of raising private savings in the short run. The incentives provided by tax cuts or retirement programs during the Reagan years had little or no effect on private savings, indeed, total net private savings, as measured by the Commerce Department, were one-fourth lower in 1981-86 than during the preceding three decades.

Whatever the stimulative effect of tax incentives on private savings might have been, it was more than outweighed by the effect of the swollen federal budget deficits on total domestic savings. To reduce dependence on foreign capital inflow and to sustain domestic investment, Mr. Freund contends that by 1991, the budget deficit needs to be cut by at least \$100 billion a year; "an amount close to what we draw in through foreign savings."

EC Moves On Japan Imports

Sees High Tariffs For Electronics

BRUSSELS — The European Community will push for sharply higher tariffs on several Japanese electronics imports to compensate for benefits Japan derived from the admission of Spain and Portugal into the trading bloc, its executive body said Friday.

The European Commission also said it had been monitoring imports of Japanese television sets, portable computers and machine tools, and would double tariffs on these products if it found that Japan had redirected exports of those products from the United States to Europe.

Also Friday, the EC industry commissioner raised the possibility of taxing steel companies to help pay for restructuring the industry.

An EC spokesman said that the commission would ask the Council of Ministers on Monday for authority to impose higher tariffs unless Japan agreed to open its market to European goods.

She said that the increase would be imposed on microwave ovens, compact disc players, digital audio tape players, nonprofessional loudspeakers and electronic organs.

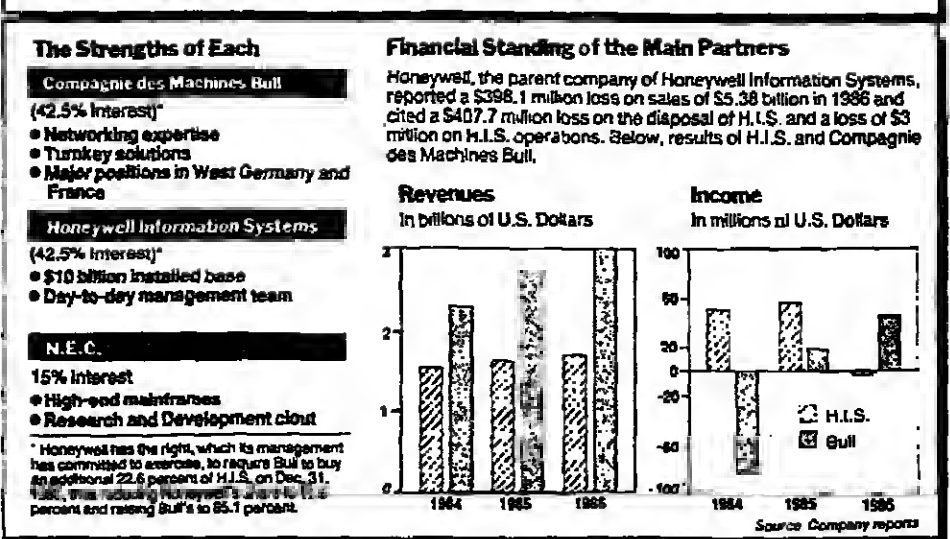
The commission estimates that Japan's sales to the 12-nation community rose 30 percent last year and that Japan stands to gain about \$1.2 billion a year in lower import tariffs resulting from the admission of Spain and Portugal in 1986.

Under international trade agreements the community is entitled to compensation from Japan for those advantages, the spokesman said.

Steelmakers pay a direct tax to the community, mostly to cover research and development costs. Officials at the conference said that Mr. Najes apparently wanted to increase this tax.

EC industry ministers are to discuss the future of the steel industry at a meeting in Luxembourg at the beginning of June. (AP, Reuters)

The Partners in the Honeywell Bull Joint Venture



Will Honeywell Bull Be Trampled? Size of Computer Alliance May Not Assure Success

By Steven Greenhouse

PARIS — In France, Jacques Stern is admired as a corporate savior for rescuing Groupe Bull, the country's largest computer company, from the brink of bankruptcy.



Jacques Stern, left, chairman of Bull and the venture, and Francis Lorentz, Bull's chief operating officer.

That is the name of the company that was formed in late March when Minneapolis-based Honeywell Inc. spun off its Information Systems division to a newly formed joint venture owned by Bull, NEC Corp. of Japan and Honeywell.

But the venture represents much more than a new name and ownership structure for Honeywell's computer business. Perhaps even more important, it represents a powerful alliance among these three large computer makers, which plan to pool much of their activities in research and development, production and marketing.

Although the alliance creates one of the world's biggest players in the computer business, many in the industry say that its size hardly guarantees its success.

The most immediate challenge facing Mr. Stern, who is chairman of Bull and of the Honeywell Bull joint venture, is to avoid being trampled by two other computer powers: giant International Business Machines Corp. and Digital Equipment, the Maynard, Massachusetts, company that has been dazzling the market with its new array of products.

Bull, which dominates the consortium, must still prove that it can compete on the merits of its technology rather than its political connections.

One reason for that decline is that Honeywell, with information processing sales of \$2 billion, has had trouble keeping pace of IBM and Digital in developing state-of-the-art products. Moreover, with Honeywell's survival in computers in question for so long, many important customers and employ-

ees abandoned what they thought was a sinking ship. "It's not quite a long shot for the joint venture to turn things around," said George F. Colony, a consultant with Forrester Research Inc. in Cambridge, Massachusetts, "but it's very late in the game to be starting over."

Mr. Stern readily acknowledges that Honeywell Bull has its problems, including a dispirited marketing staff. Still, he is unfazed by the doomsayers. Many people were similarly pessimistic about Bull when the French government named him head of the state-controlled company in 1982, he recalls.

Now he is confident that he can revive Honeywell's computer business by employing many of the strategies he used to resurrect Bull. The new joint venture

See BULL, Page 17

U.S. GNP Grows 4.4% but Trend Seems Sluggish

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. economy grew at an annual rate of 4.4 percent in the first three months of 1987, the Commerce Department said Friday, slightly more than the original estimate of 4.3 percent.

The growth in the gross national product was the fastest in almost three years. But the figure left many economists unimpressed because the strength came almost entirely from an unwelcome buildup in business inventories.

The advance followed a lackluster 1.1 percent growth rate in the final quarter of 1986.

GNP is a measure of the nation's goods and services, including income from foreign investments. Adjusted for inflation and for seasonal factors, it grew \$39.8 billion in the first quarter.

Private economists said that the relatively healthy growth rate should not obscure a continued sluggishness in the economy. The expansion was powered by a \$63.2 billion rise in business inventories.

"Inventories went up and consumption went down" in the quarter, said Michael Evans of Evans Economics Inc. "It's the wrong way to move if you want to show improvement in the economy."

Lawrence Chimerich of Wharton Econometric Forecasting Associates said, "Final demand in the economy is sluggish. The report was consistent with an economy that's just barely growing."

Final business sales dropped by \$23.7 billion, a 2.5 percent decline that was the first quarterly decrease since the third quarter of 1982, the low point of the last recession.

The figures included a drop in consumer spending of 1.1 percent, a fall in business investment of 9.7 percent and a decline in housing construction of 4.3 percent.

The Reagan administration is forecasting that the economy will grow at a 3.2 percent rate this year, up from a 2.5 percent rate in 1986. There were few major changes in

Corporate Profit Fell 5.5% Amid Tax Law Change

WASHINGTON — Profits of U.S. corporations, after tax liabilities, fell 5.9 billion, or 5.5 percent, in the first three months of the year to a seasonally adjusted annual rate of \$136.6 billion, the Commerce Department said Friday.

It was the largest quarterly drop since the first quarter of 1986, when profits fell 9 percent. The decline followed an increase in the fourth quarter last year of \$8.6 billion, or 6.3 percent.

Profits before taxes and from current production rose to \$333.5 billion from \$311.2 billion in the fourth quarter.

Profits' tax liability rose to a record \$129.9 billion, from \$115.1 billion in the fourth quarter last year.

The department said that tax laws that came into force Jan. 1 lowered first-quarter profits after tax by \$22.5 billion.

the GNP report from the earlier estimate released April 23. The report did show that inflation accelerated at a faster rate than reflected in the preliminary report on the first quarter.

The GNP implicit price deflator rose 4.2 percent during the three-month period, compared with the 3.5 percent previously reported.

Inflation measured by the fixed-weighted price index increased 3.9 percent instead of 3.5 percent.

Both measures of inflation were the highest since the first quarter of 1984, when the implicit price deflator and the fixed-weighted price index jumped 4.6 percent.

(UPI, AP)

Retail Prices Rise 0.4%; Orders Climb by 0.1%

The Associated Press

WASHINGTON — Consumer prices, nudged upward by higher costs for food, energy and imported goods, rose 0.4 percent in April, the Labor Department said Friday.

The rise in the department's Consumer Price Index, equivalent to an annual inflation rate of 5.5 percent, matched the 0.4 percent increases of February and March.

In a separate report, the Commerce Department said that orders for durable goods, or items expected to last three or more years, edged 0.1 percent higher in April, the lowest increase in three months.

Analysis said the inflation rate largely reflected the steady decline in the dollar, which has made imports more expensive. As import prices rise, some domestic manufacturers have also raised prices.

Prices for goods other than energy and food, the category that economists say most accurately reflects changes in the dollar, rose 0.5 percent, the same as in March. The increases were wide-ranging.

Food costs were up 0.3 percent, while energy prices, still rebounding from last year's collapse in world oil prices, also rose 0.3 percent.

For the first four months of 1987, consumer prices have risen at an annual rate of 6 percent, compared to the 1.1 percent increase in April of 1986. Economists have said they expect inflation to continue in the 5 to 6 percent range for most of the year.

The increase in the Consumer Price Index at the retail level has not intensified any further, although the inflation rate is generally higher than it has been for the past four years.

Reflecting weak consumer demand, the 0.1 percent rise in orders for durable goods brought the total to \$106.3 billion last month following a revised 4.1 percent increase in March. The March increase in durable goods orders was originally reported at 3.8 percent.

The April increase was the weakest figure since a record 9.8 percent drop in January, which was blamed on the new U.S. tax law.

Economists are predicting slumping orders and cutbacks in production until this summer, when excess inventories should be depleted and businesses will need to begin restocking.

Demand for manufactured goods would have been even weaker last month except for strength in military orders, which rose 9.8 percent following a huge 42.8 percent jump in March.

Without this boost, total orders would have fallen by 0.9 percent most of the year.

The increase in the Consumer

Currency Rates

Table showing currency rates for various countries including Australia, Austria, Belgium, Canada, Denmark, France, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, and USA.

Table showing other dollar values for various countries including Argentina, Australia, Austria, Belgium, Canada, Denmark, France, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, and USA.

Table showing interest rates for various countries including Eurocurrency deposits, key money rates, and Asia dollar deposits.

Table showing U.S. money market funds with columns for fund names and yields.

Table showing gold prices in various locations including Hong Kong, London, and New York.

Rising Chip Prices Signal Halt to Japan Dumping

Reuters

TOKYO — An upturn in prices of semiconductor memory chips indicates that U.S. tariffs imposed on some of Japan's electronics goods are compelling Japanese chip makers to stop dumping, industry analysts say Friday.

But a spokesman for the Electronics Industries Association of Japan said that electronics companies have all but abandoned hope that U.S. trade sanctions will be lifted ahead of the June 8-10 economic summit in Venice.

President Ronald Reagan imposed 100 percent tariffs on selected Japanese televisions, computers and power tools on April 17 in retaliation for alleged Japanese violation of an agreement on computer chip prices.

The 256-kilobit dynamic random access memory chips, which have been the major focus of the bilateral trade dispute, have recovered to around \$2.15 in Japan from below \$1.93 before the duties were imposed, they said.

The memory chips, which account for more than half of all semiconductors made in Japan, are primarily used in computers and communications equipment.

Prices in Hong Kong and Singapore also have risen to more than \$2.50 from around \$1.70 a few months ago, said Peter Wolff, an analyst for Prudential-Bache Securities.

Although Japanese makers had avoided selling chips at low prices directly to the United States, they cut rates to Southeast Asian and other countries, where they could be reshipped to the United States or prevent U.S. makers from selling overseas, according to industry analysts.

The U.S. tariffs had spurred Japan's Ministry of International Trade and Industry to tighten its grip on the domestic semiconductor industry from late last year, analysts said.

The effect of the ministry's move has also been shown in production figures. Japanese output of 256-kilobit DRAMs, for example, dropped to 129 million chips in the first quarter of this year from 163 million the previous quarter, Mr. Wolff said.

Production is likely to be only

112 million chips in the second quarter, he said.

According to industry analysts, Japanese makers were selling chips at prices below cost, just to maintain or enlarge their market shares to block out competitors.

Many U.S. chip makers, as a result, abandoned the low profit business and allowed Japanese makers to capture 90 percent of the market for 256-kilobit DRAMs, they said.

Six of the world's 10 largest semiconductor producers are now Japanese, said Jonathan Joseph, an analyst for Shearson Lehman Brothers Asia.

Mr. Joseph forecast that Japan's overall semiconductor output this year would rise 10 percent from last year, to \$13.4 billion. The U.S. industry, in comparison, will produce only \$10.5 billion of chips in 1987, he said.

Because memory chip prices have been rebounding, some Japanese electronics company officials said they were optimistic that the United States would lift the sanctions before the Venice summit

meeting of major Western industrial nations.

President Reagan said May 1 he hoped that the tariffs could be lifted in time for the meeting.

But Martin Fitzwater, the chief White House spokesman, said Thursday that removal of the sanctions is unlikely until more data is available in mid-June, after the Venice summit.

Japanese Firms To Boost Output

The Associated Press

TOKYO — Three major Japanese makers of microchips said Friday they planned to increase production this year despite a trade dispute with the United States.

Hitachi Ltd. said it would raise production by 1.3 percent, Mitsubishi Electric Corp. by 2.3 percent, and Toshiba Corp. by 12.2 percent. They said that demand had increased.

Shinji Shimokawa, a Hitachi spokesman, said that the companies did not expect adverse reaction from Washington because the type of chips involved were not included in a semiconductor agreement between the United States and Japan last year.

Meanwhile, Zaire's planning minister, Sambwa Pida Ntagui, said Friday that Zaire had received pledges from donor nations for \$1.48 billion in aid over the next two years, after a two-day meeting at the World Bank's Paris office.

On Tuesday, Zaire reached a landmark agreement with the Paris Club to defer payment on \$846 million of debt.

The agreement allows Zaire, hard-hit by slumping copper prices, to delay repaying debt due this year for up to 15 years.

Zaire had foreign debts totaling \$6.3 billion at the end of 1986.

Paris Club Stretches Egypt's Debt Repayments

Reuters

PARIS — The Paris Club of Western creditor nations has agreed to a major reorganization of Egypt's foreign debt, officials said Friday.

The agreement allows payments to be stretched over 10 years, including a five-year grace period.

The agreement follows a pact earlier this month with the International Monetary Fund, which agreed to lend Egypt \$327 million over 18 months to shore up its weakened economy.

Egypt's central bank governor, Mohammed Salahuddin Hamid, said that almost all of the country's requests to the Paris Club had been met.

He declined to specify the total amount of debt rescheduled, but he had said earlier that Egypt, the most populous Arab country, wanted to reschedule \$10 billion of its foreign debt of about \$40 billion.

Under the IMF agreement, Egypt has agreed to a wide range of economic reforms, including reductions in the country's \$4 billion budget deficit, increases in energy prices and interest rates, restrictions on credit and exchange-rate reforms.

The Paris Club debt package eases pressures on the Egyptian government of President Hosni Mubarak.

The economy is beset by weak prices for its crude oil exports. Lower world oil prices have also reduced hard-currency remittances by the many thousands of expatriate Egyptians who work in other Arab countries, particularly in the Gulf.

According to IMF figures, Egypt was in arrears on debt payments by about \$4.4 billion by the middle of last year.

The so-called Paris Club, an informal group of Western creditor governments including the United States, has been holding a series of meetings with debtors in its efforts to alleviate the Third World debt crisis.

The United States is Egypt's biggest creditor government, accounting for approximately \$6 billion of its debt.

Advertisement for 'The Value Line brings you HARD FACTS ON 1700 AMERICAN STOCKS' with details about the survey and subscription information.

Advertisement for 'Terrains, Bureaux, Pour l'avenir de votre entreprise...' with contact information for Bouygues Immobilier.

Friday's NYSE Closing

Tables include the nationwide prices to be closing on Wall Street and do not reflect floor trades elsewhere.

(Continued)

| 12 Month High | 12 Month Low | Div. Yld | PE | 100 High | 100 Low | Close | Chg |
|---------------|--------------|----------|-----|----------|---------|-------|-----|
| 125 | 115 | 1.2 | 15 | 125 | 115 | 120 | +5 |
| 130 | 120 | 1.3 | 16 | 130 | 120 | 125 | +5 |
| 135 | 125 | 1.4 | 17 | 135 | 125 | 130 | +5 |
| 140 | 130 | 1.5 | 18 | 140 | 130 | 135 | +5 |
| 145 | 135 | 1.6 | 19 | 145 | 135 | 140 | +5 |
| 150 | 140 | 1.7 | 20 | 150 | 140 | 145 | +5 |
| 155 | 145 | 1.8 | 21 | 155 | 145 | 150 | +5 |
| 160 | 150 | 1.9 | 22 | 160 | 150 | 155 | +5 |
| 165 | 155 | 2.0 | 23 | 165 | 155 | 160 | +5 |
| 170 | 160 | 2.1 | 24 | 170 | 160 | 165 | +5 |
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| 180 | 170 | 2.3 | 26 | 180 | 170 | 175 | +5 |
| 185 | 175 | 2.4 | 27 | 185 | 175 | 180 | +5 |
| 190 | 180 | 2.5 | 28 | 190 | 180 | 185 | +5 |
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| 200 | 190 | 2.7 | 30 | 200 | 190 | 195 | +5 |
| 205 | 195 | 2.8 | 31 | 205 | 195 | 200 | +5 |
| 210 | 200 | 2.9 | 32 | 210 | 200 | 205 | +5 |
| 215 | 205 | 3.0 | 33 | 215 | 205 | 210 | +5 |
| 220 | 210 | 3.1 | 34 | 220 | 210 | 215 | +5 |
| 225 | 215 | 3.2 | 35 | 225 | 215 | 220 | +5 |
| 230 | 220 | 3.3 | 36 | 230 | 220 | 225 | +5 |
| 235 | 225 | 3.4 | 37 | 235 | 225 | 230 | +5 |
| 240 | 230 | 3.5 | 38 | 240 | 230 | 235 | +5 |
| 245 | 235 | 3.6 | 39 | 245 | 235 | 240 | +5 |
| 250 | 240 | 3.7 | 40 | 250 | 240 | 245 | +5 |
| 255 | 245 | 3.8 | 41 | 255 | 245 | 250 | +5 |
| 260 | 250 | 3.9 | 42 | 260 | 250 | 255 | +5 |
| 265 | 255 | 4.0 | 43 | 265 | 255 | 260 | +5 |
| 270 | 260 | 4.1 | 44 | 270 | 260 | 265 | +5 |
| 275 | 265 | 4.2 | 45 | 275 | 265 | 270 | +5 |
| 280 | 270 | 4.3 | 46 | 280 | 270 | 275 | +5 |
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| 360 | 350 | 5.9 | 62 | 360 | 350 | 355 | +5 |
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| 380 | 370 | 6.3 | 66 | 380 | 370 | 375 | +5 |
| 385 | 375 | 6.4 | 67 | 385 | 375 | 380 | +5 |
| 390 | 380 | 6.5 | 68 | 390 | 380 | 385 | +5 |
| 395 | 385 | 6.6 | 69 | 395 | 385 | 390 | +5 |
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| 460 | 450 | 7.9 | 82 | 460 | 450 | 455 | +5 |
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| 480 | 470 | 8.3 | 86 | 480 | 470 | 475 | +5 |
| 485 | 475 | 8.4 | 87 | 485 | 475 | 480 | +5 |
| 490 | 480 | 8.5 | 88 | 490 | 480 | 485 | +5 |
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| 500 | 490 | 8.7 | 90 | 500 | 490 | 495 | +5 |
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| 510 | 500 | 8.9 | 92 | 510 | 500 | 505 | +5 |
| 515 | 505 | 9.0 | 93 | 515 | 505 | 510 | +5 |
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| 530 | 520 | 9.3 | 96 | 530 | 520 | 525 | +5 |
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| 540 | 530 | 9.5 | 98 | 540 | 530 | 535 | +5 |
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| 12 Month High | 12 Month Low | Div. Yld | PE | 100 High | 100 Low | Close | Chg |
|---------------|--------------|----------|-----|----------|---------|-------|-----|
| 100 | 90 | 1.0 | 10 | 100 | 90 | 95 | +5 |
| 105 | 95 | 1.1 | 11 | 105 | 95 | 100 | +5 |
| 110 | 100 | 1.2 | 12 | 110 | 100 | 105 | +5 |
| 115 | 105 | 1.3 | 13 | 115 | 105 | 110 | +5 |
| 120 | 110 | 1.4 | 14 | 120 | 110 | 115 | +5 |
| 125 | 115 | 1.5 | 15 | 125 | 115 | 120 | +5 |
| 130 | 120 | 1.6 | 16 | 130 | 120 | 125 | +5 |
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| 535 | 525 | 9.7 | 97 | 535 | 525 | 530 | +5 |
| 540 | 530 | 9.8 | 98 | 540 | 530 | 535 | +5 |
| 545 | 535 | 9.9 | 99 | 545 | 535 | 540 | +5 |
| 550 | 540 | 10.0 | 100 | 550 | 540 | 545 | +5 |

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| 12 Month High | 12 Month Low | Div. Yld | PE | 100 High | 100 Low | Close | Chg |
|---------------|--------------|----------|----|----------|---------|-------|-----|
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BUSINESS ROUNDUP

2 Spaniards Buy 3% of Montedison

MADRID — Two Spanish businessmen have bought a 3 percent stake in the Italian chemicals company Montedison SpA in the biggest Spanish private-sector investment outside the country, a spokesman said Friday.

Mario Conde and Juan Abello paid 15 billion pesetas (\$145.2 million) for 60 million shares in Montedison, acquiring them gradually on the Milan stock exchange, the spokesman for the two businessmen, Fernando Garro, said.

Mr. Conde and Mr. Abello financed the purchase by selling Antibióticos SA, the Madrid-based pharmaceuticals company they founded, to Montedison earlier this year for 58.2 billion pesetas.

Mr. Garro said that they began buying the shares in March, shortly after completion of the Antibióticos sale, and that the final shares were purchased last week.

He added that nearly all of the shares carried voting rights.

Mr. Conde agreed to stay on as Antibióticos managing director after it was sold to Montedison and later made public his intention to

invest part of the proceeds in Montedison shares. The recently purchased Montedison shares are registered in Mr. Conde's name. Asked if Mr. Conde was seeking a seat on the Montedison board, Mr. Garro replied, "That is a matter for Montedison's shareholders' assembly to decide."

Ariane Hopes for a Launch in August

PARIS — The next launch of the rocket Ariane is scheduled for August, but the exact date will depend on results of current testing of a third-stage engine, according to European space executives.

Arianespace, the commercial arm of the European Space Agency, plans three launches for 1987, eight in 1988, nine in 1989 and 10 in 1990. Its tentative schedule calls for placing 46 commercial satellites into orbit through 1991.

That would represent 15 billion francs (\$2.5 billion) in orders, and roughly half the world's estimated market for commercial launch services in the 1990s, executives said this week.

Italy's second largest industrial group.

The company's biggest single shareholder is the Ferruzzi agribusiness group, which holds around 40 percent.

Montedison last week denied Spanish press reports that it had offered Mr. Conde a place on its board as part of the Antibióticos deal.

Expansion of Elders Seems No Small Beer

By Michael Richardson International Herald Tribune SINGAPORE — Four years ago, Elders IXL Ltd. made much of its money from what it called its "pastoral" interests: beef, wool and jam.

Now, having come from nowhere to capture the sixth position among international brewers, the aggressive Australian conglomerate is hoping to expand further by shepherding more of the world's beer drinkers to its own brands.

Elders' interests in Australia and overseas cover finance, trade, mining and agriculture. But Bruce H. Sney, Elders executive director for brewing, said beer has been the key to the rapid expansion of Elders, which is now Australia's fifth-largest company. And it has not been small beer.

Elders entered the brewing business in 1983 when it took over Carlton and United Breweries Ltd., makers of Foster's lager, Australia's top selling brand. The cost of obtaining a majority stake was 480 million Australian dollars (\$345 million at current exchange rates).

After an abortive bid in 1985 for Allied Lyons PLC, a British food and drinks giant, Elders paid 3.3 billion dollars last year to acquire brewing and other interests of British Crown Group.

Then in April, Elders announced that the Canadian government had approved its 460 million dollar takeover offer for Carling O'Keefe Ltd., Canada's third-largest brewer.

In an interview in Singapore last week, John Elliott, chairman and chief executive of Elders, said that the relatively small size of the Australian market had forced the group to think big and expand offshore.

David Wheeler, senior analyst with A.C. Goode & Co. in Melbourne, said that the group's strategy was based on high cash flow. "Growth through acquisition has depended on heavy borrowing. The cash flow from beer sales helped convince banks that Elders could service its debts."

Mr. Elliott, 46, has pledged to make Elders one of the world's top three brewing groups within five years and Foster's the best-selling export brand.

Don Lusthaus, an analyst who recently wrote a report on Elders for Australian stockbrokers Bain

& Co., said he believed that the group could achieve its target, although it might take longer than five years.

"Elders," he added, "has a proven record of successful expansion. They have good management and are very clever marketers of beer."

Mr. Elliott and several of his closest business associates worked with the international management consultants McKinsey & Co. before they borrowed money in 1972 to buy a Melbourne-based fruit canner and jam maker, Henry Jones (IXL) Ltd., that had fallen on hard times.

After years of steady expansion, it bought Australia's largest agricultural concern, Elder Smith Goldsborough Mort Ltd.,



John D. Elliott, Elders IXL

'Elders has good management and is a very clever marketer of beer.'

— Don Lusthaus, stock analyst

which came under its control in 1981.

The renamed company's revenue then jumped to 7.7 billion dollars in the year ended June 30, 1986, from 2.8 billion dollars in 1981-82. Operating profit rose to 209 million dollars from 61.3 million dollars.

Elders' profit rose 70 percent last year to a record 181.41 million dollars.

Brewing accounted for 46 percent of group operating profit in 1986, finance for 20 percent, investment 15 percent, international trade-related activities 10 percent, and agricultural operations 9 percent.

Elders had to borrow heavily to buy Courage last year, and Mr. Elliott said he hoped to announce details within two weeks of a selloff of the 5,000 public houses owned by the British brewer.

In April, Elders said it hoped to raise about £1 billion (\$1.66 billion) through the selloff, but would retain a one-third interest in the pubs.

Mr. Wheeler, the analyst, said that Elders' preferred option

was to float the pubs on the London Stock Exchange.

Mr. Elliott said that when his company bought Courage, Elders had debts of about 4 billion dollars, mainly in loans from banks.

Since then, two bond issues convertible into Elders shares have raised 1.2 billion dollars while a rights issue to shareholders has raised 900 million dollars.

After shares in the Courage pubs are sold, Mr. Elliott said that Elders probably would have "less than 1 billion in debt, against shareholders funds of 5 or 6 billion and group assets of 6 to 7 billion."

Elders would then be "in a good position to make further acquisitions and build further growth."

The markets have been speculating about his intentions. In April 1986, Elders spent nearly 1.7 billion dollars to buy more than 18 percent of the issued ordinary capital of the resource and steel giant, Broken Hill Proprietary Co. Australia's biggest conglomerate.

Analysts are divided on whether Elders will make a full bid, but Mr. Elliott would not comment, only saying he was happy with the BHP investment.

But Australian analysts believe that Elders is preparing for another major acquisition. The troubled British liquor group Guinness PLC and the U.S. brewer Anheuser-Busch Cos. have been mentioned as possibilities.

One Australian businessman who has watched Mr. Elliott's empire grow commented, "He's very aggressive and ambitious. His horizons stretch a long way."

BULL: Venture Links Size to Success

(Continued from first finance page)

has already stopped the slide of its market share in the United States, he asserted. How? By persuading customers that its owners are committed to staying in the business, he said.

"When you invest in the computers, you want to make sure you choose the right vendor, someone who will be around for the long term," said Mr. Stern, 55, who ran his own successful software company before joining Bull. "Our joint venture has reassured customers because they see we are committed to the business."

Not that such commitment is enough to insure Honeywell Bull's survival in a world where IBM is king, he acknowledged.

Still, Mr. Stern is hoping that Honeywell Bull — and the Bull-NEC-Honeywell alliance — can capitalize on computer users' fears of a world in which the only choice might be IBM. Many users also want "open systems," or ones that are capable of tying together equipment from four or five companies.

"One of our strategic choices is to be open to other suppliers," said Francis Lorentz, Bull's chief operating officer and Mr. Stern's right-hand man. "We think customers want freedom. They don't want to be trapped by one supplier."

Mr. Stern also hopes to capitalize on the increasing importance of distributed data processing and on networking, the move by computer users to replace the big, central mainframe computer with an array of smaller computers that are tied together.

Finally, Mr. Stern does not want Honeywell Bull simply to sell computers. He wants it to provide customers with so-called turnkey systems, or complete hardware-software packages tailored to solve customers' specific problems.

Jerome J. Meyer, the longtime Honeywell manager who is the chief executive officer of Minneapolis-based Honeywell Bull, agrees with his French colleagues on this strategy. "A lot of customers do not want to talk about the need for more processors or more memory but about 'How do I link my three plants together? or How do I get rid of my inventory bulge?'" he said.

These strategies are hardly radical. Almost every major computer company in the world now asserts it is a maker of systems that offer total solutions rather than just computers.

Still, in Europe, Bull is one of the acknowledged leaders in marketing open systems, networking and turnkey solutions. It has been in the forefront of pushing European computer makers to adopt international standards so computers

made by different companies can be tied together.

The big question, of course, is whether Honeywell Bull can do the same in the United States, where Digital in particular has been successfully taking the same approach.

Many analysts say that Mr. Stern may find the going a lot tougher in the United States than in Europe. "Stern has been a good, hard-hitting, no-nonsense chief executive who has understood the European markets well," said Ann Courtright, research director for the Yankee Group, the Boston-based market-research and consulting concern.

"But the American markets are different," she said. "They are much more competitive. In Europe, you compete against IBM. In America, you compete against IBM, Digital and a lot of smart, well-financed start-ups like Apollo."

Mr. Stern said he planned to devote a lot of his energies to revitalizing Honeywell Bull's marketing staff. But he also emphasized that Honeywell Bull had its strengths, including its base of 10,000 Honeywell customers.

The market strengths of Bull and Honeywell Bull complement each other, he said, noting that while Bull is strong in serving the government and banking and insurance industries, Honeywell is important in manufacturing.

The joint venture will start with \$2 billion in revenue, while Bull, the dominant owner with a 42.5 percent share, has revenue of \$3 billion.

Honeywell also has a 42.5 percent stake, but under the agreement, Bull is to increase its share to 65.1 percent and Honeywell's will drop to 19.9 percent in two years. NEC owns the remaining 15 percent.

Mr. Meyer, 49, said that the joint venture could cut costs by consolidating factories and product lines and teaming in research and development. NEC is to focus on developing top-of-the-line mainframes, and the joint venture will spend about \$500 million a year developing the rest of the computer line.

Some industry experts caution, however, that getting the three partners to cooperate might not be so easy. Martyn Roetter, a computer consultant with Arthur D. Little, said, "Meyer has to balance the interests of three different owners, and he has to be able to extract from the three owners the money and resources to insure" that the joint venture "can get the kind of marketing and products it needs."

Bull officials said they had long wanted to expand outside of France, and they seized the opportunity when Honeywell decided to reduce its role in computers.

Mexico to Sell Majority Stake in Mexicana Air

MEXICO CITY — The government has announced that it will sell its majority stake in Mexicana Airlines as part of a program to divest itself of unprofitable state-controlled companies.

The move Thursday came as Mexicana reported a loss in 1986 of \$15.5 million, bringing its accumulated losses at the end of that year to about \$74.4 million.

The government called for prospective buyers to submit bids by June 30.

The airline serves 32 Mexican, 10 major U.S. cities and 14 other international destinations and shares routes with Mexico with Aeroméxico. It carried 8.6 million passengers in 1985 and an estimated 10.4 million last year, using a fleet of 40 Boeing 727-200s and five DC10-15s.

"The sale has been predicted for a long time," said a senior analyst at a local brokerage house. "It's just a matter now of who it goes to."

Havas Privatization Price Set at 500 Francs a Share

By Axel Krause International Herald Tribune PARIS — The Finance Ministry said Friday it would publicly offer the government's shares in Agence Havas SA, France's largest advertising group, at 500 francs (\$84) a share. The group's privatization is expected to raise about 3 billion francs.

Financial analysts and bankers said that the price, one of the few details of the group's privatization that had not yet been announced, was fair. They predicted that the offering would be oversubscribed.

The shares, which will go on sale Monday, are part of the government's 44.7 percent stake in Havas's 12.6 million shares outstanding. About 33 percent of the shares are in private hands, with the remainder controlled by institutional investors, including state-controlled banks.

The government will sell 20 percent of the company's 12.6 million shares to the public, and another 20 percent to a core group of six companies and financial groups friendly to Havas. These companies, whose names were also disclosed Friday, will buy the shares at a premium of 5 percent over the public offering price.

Havas personnel and former employees will be able to buy the remaining 5 percent share held by the government, amounting to about 600,000 shares, at discounts of 5 to 20 percent.

The core group includes the state-owned bank Société Générale, the Parisian banking group, and Lyonnais des Eaux de l'Éclairage, a water distribution and engineering group, each with 4 percent.

Société de Participations Mobilières et Foncières, a financial holding company, will subscribe to 3 percent, while Caisse Nationale de Crédit Agricole and Société Générale de Belgique SA will each wind up with 2.5 percent, the ministry said.

"The price is reasonable, and Havas is well known in France, so we expect a successful offering," said Marie-Rose Barest, an analyst with Le Guay-Massonand, a Paris brokerage firm. The public offer remains open until May 30.

An attractive feature of the offer, Mrs. Barest and bankers said, is that private shareholders who buy 50 shares will have the right to 3 free shares. The only condition, the ministry said, is that the original shares be held for minimum of 18 months.

Swiss Drug Giants Face Better Year as Dollar's Effect Fades

ZURICH — The big three Swiss chemical and pharmaceutical concerns are likely to perform better in 1987 than they did last year as the negative effects of currency factors diminish, analysts say.

The weaker dollar continued to depress the results of F. Hoffmann-La Roche & Co., Ciba-Geigy AG and Sandoz AG in the first few months of the year. Only Sandoz reported an increase in first quarter revenue.

But Swiss analysts see better times ahead and Kleinwort Greifson Securities, a London securities firm, says that the chemical sector is unlikely to be as badly hit by the weaker dollar as it was last year.

"We expect to see effective growth in local currencies in pharmaceuticals in the second half of 1987 and in 1988," said Claudio Werder, a share analyst at Bank Vontobel.

Bank Vontobel estimates that earnings in the chemicals sector generally will grow 7 percent in 1987 after falling 8 percent in 1986.

Hans Kaufmann, who follows Swiss equities for Bank Julius Baer, Zurich, said that the diminishing effect of adverse currency movements would show good internal growth when results are translated into Swiss francs.

"The worst of the currency movements are behind us," Mr. Kaufmann said. "Things should get better from quarter to quarter."

Hoffmann-La Roche said this week that its sales fell 7 percent in the first four months of 1987, to 2.54 billion Swiss francs (\$1.74 billion) from 2.72 billion francs a year earlier. Sales expressed in local currencies, or volume, rose 11.9 percent.

Ciba-Geigy said its first quarter sales fell 10 percent to 4.14 billion

francs but rose 2 percent in local currencies.

In contrast, Sandoz reported a 9 percent increase in sales to 2.39 billion francs in the first quarter, despite the adverse currency factors.

Mr. Werder said, "1986 was the third year in a row that Sandoz reported two-digit growth in local-currency drug sales. Growth in pharmaceuticals this year should be about 15 percent."

Analysts said that the strong performance of Sandoz's drug division and the increasing integration of recent acquisitions into group operations could boost profit about 10 percent.

In 1986, the company earned 541 million francs. Analysts noted that 1986 profit was hurt by the fire at its plant in Basel on Nov. 1, which polluted the Rhine. They said that the accident would not affect the 1987 results.

Hoffmann-La Roche is expected to post a similar improvement in profit because of new products that will compensate for a 30 percent fall in U.S. sales of the tranquilizer Valium last year. Roche's U.S. Valium patent expired in 1985.

Ciba-Geigy, which has forecast lower 1987 sales in Swiss francs, said that currency movements would reduce its operating profit by 400 million francs.

It is seen as the most vulnerable of the three companies because of its exposure in the troubled agrochemicals industry.

Analysts said that its net operating profit could fall by 3 to 5 percent from last year's 1.16 billion francs.

"Ciba-Geigy will have another difficult year," Mr. Werder said, "with sales in its agrochemicals division at best stagnating."

Time Inc. to Sell Ailing 'Discover'

NEW YORK — Time Inc., continuing the cutbacks begun in late 1985, has announced plans to sell its money-losing science magazine, Discover, to Family Media for \$26 million.

The decision to sell the magazine represents a turnaround by Time. Last year, when the company laid off employees and closed other money-losing magazines, executives repeatedly emphasized their commitment to the science magazine.

Reginald Brock Jr., president of Time Inc.'s magazine group, said Thursday that because Discover differed from most Time Inc. magazines by being a special-interest publication, it would do better as part of a company like Family Media with similar publishing interests.

Lear to Sell Smith & Wesson

LONDON — Smith & Wesson International Inc., which once armed the cowboys of the American frontier and now arms police forces around the world, is to be sold to the British industrial holding company F.H. Tomkins PLC, it was announced Friday.

Tomkins will pay Lear Siegler Holdings Corp. \$112.5 million for Smith & Wesson, which was founded in 1852 and is based in Springfield, Massachusetts.

Lear Siegler was acquired in December by Forstmann Little & Co., a New York investment firm. Smith & Wesson earned \$14.1

million on sales of \$116.1 million in the year ended June 30, 1986.

Tomkins, with a product line ranging from car parts to washing-machine controls, said it wanted to buy Smith & Wesson because of the gun maker's potential for growth.

Smith & Wesson's revolvers and semiautomatic pistols hold 30 percent of the U.S. handgun market. Individuals buy 68 percent of the guns, with the rest being sold to police forces.

Smith & Wesson also makes handcuts and the "Identikit" system used by police forces to compose images of suspected criminals of whom no photographs are available.

supplying grants to students.

Hewlett Introduces 3 Computer Systems

By Lawrence M. Fisher New York Times Service SAN FRANCISCO — Hewlett-Packard Co. has introduced three new computer systems for technical users and announced shipping dates and prices for its long-awaited HP 3000 Series 930 and 950 business computers.

The machines introduced Thursday all use a computer system developed by the company that is based on what is known as reduced-instruction set computing, or RISC.

The HP 3000 Series was originally scheduled for delivery last year but was delayed by what the company called "additional tuning requirements" in software, the programs that control computer operations.

The new machines were developed under the name Spectrum. Analysts said that they would create strong competition for International Business Machines Corp.

and Digital Equipment Corp. in business computers, and for Sun Microsystems Inc., Apollo Computer Inc. and Silicon Graphics Computer Systems in the technical market.

John A. Young, Hewlett-Packard's president, said in an interview that the aggressive pricing of the new machines reflected "the dramatic difference in cost" of the RISC architecture as well as pricing moves by the company's competitors, IBM and Digital, over the past few months.

"We hope to be even more aggressive in the future," he said. Asked about the software problems that had delayed shipment of the HP 3000 business machines, Mr. Young said that the company was happy with the system's performance at test sites.

Shipments of the machines will build up gradually after August, and "the main revenue impact will

be in fiscal 1988, which begins in November," he said.

Hewlett-Packard's new machines for engineering and scientific uses include the Model 850S supermicrocomputer, which starts at \$200,000 for a single processor unit; the Model 825S, a small multi-user system starting at \$42,500 per single unit, and the Model 825SRX super workstation, which is said to offer more performance than any existing workstation and is priced at \$86,500.

An upgraded version of the mid-size Model 840S was also introduced at a single processor price of \$81,500.

Hewlett, which is based in Palo Alto, California, said that shipments of the Series 930 business computer would begin in August. As expected, the price of the 930 has been lowered to \$180,000 from \$225,000, and the 950 will be priced at \$260,000.

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Today's AMEX Closing

Tables show the nationwide prices on the closing of Wall Street and do not reflect late trades elsewhere.

Visa Associated Press

| 12 Month High/Low | Stock | Div. Yld. PE | St. High/Low | Chg. Last |
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CURRENCY MARKETS

Dollar Firms on U.S. Economic News

NEW YORK — The dollar advanced Friday on the strength of a reported 4.4 percent rate of economic growth in the United States in the first quarter and a sharp drop in gold and silver prices.

Dealers said that most U.S. traders squared, or neutralized, their positions ahead of Monday's Memorial Day holiday in U.S. markets.

In New York, the dollar closed at 1.7820 Deutsche marks, up from 1.7765 Thursday; at 140.85 yen, up from 140.65; at 1.4640 Swiss francs, up from 1.4570; and at 5.9575 French francs, up from 5.9425.

It was also higher against the British pound, which closed at \$1.6680, against \$1.6800 Thursday.

Republic National Bank in New York closed cash gold at \$464 an ounce, down from Thursday's \$469.75.

Silver fell to \$8.225 an ounce from \$8.775 on the cash market.

Revised government figures showed a growth rate of 4.4 percent in GNP in the first quarter, up slightly from an earlier estimate.

The GNP implicit price deflator, seen as a more accurate barometer of inflation than the consumer and producer price indexes, rose 4.2 percent, revised upward from 3.5 percent.

"The dollar started up right after the numbers, and was helped along by the sharp fall in gold and silver," said Earl Johnson, vice president at Chicago's Harris Bank.

But Mr. Johnson said he believed the "key thing stabilizing the dollar against all currencies is the yen."

London Dollar Rates

Table with 2 columns: Currency, Rate. Includes Deutsche mark, Swiss franc, French franc, etc.

He noted that the Bank of Japan and the Finance Ministry were "closely supervising traders in Tokyo. I understand they have been asked to voluntarily report currency positions four times a day."

"That definitely inhibits speculating against the dollar," he said, "and it has worked to keep it from falling against all currencies."

The dollar also firmed in Europe, where dealers said they believed that the rate of U.S. inflation was now high enough to lead the Fed-

Silver Futures Decline in N.Y.

NEW YORK — Silver futures on the Commodity Exchange in New York fell Friday for the second straight day as a firm dollar and a rally in Wall Street drew investors away from precious metals.

The free floating July delivery price fell 58 cents to \$8.275 an ounce while the December contract slid its full limit of 50 cents to \$8.658.

Analysts said the market was also pressured by liquidation from speculators who were unwilling or unable to put up more money to finance their positions after Thursday's price declines.

Fed Reserves Surged and Ebbbed, but Week's Data Show No Shift in Policy

NEW YORK — The Federal Reserve had severe problems in managing bank reserves last week that made its balance sheet difficult to decipher, but economists said Friday they detected no shift in monetary policy.

In addition to unpredictable day-to-day movements in the Treasury's huge balances at the central bank, the Fed said that it made some major miscalculations in projecting factors that affected the availability of reserves in the week ended Wednesday.

After studying the figures, economists said that the Fed still appeared to be targeting about \$500 million a day in discount window borrowings, equivalent to a Fed funds rate of 6 1/2 percent.

"The number of billings to discount window borrowings," said Bob Bannion of Security Pacific National Bank. "For all their problems, the Fed seems to hit that one."

Borrowings last week averaged \$610 million a day, up from \$498 million the previous week for a two-week average of \$554 million. The Fed funds rate in the latest week was 6.77 percent, barely changed from 6.75 percent the previous week.

Much of the difficulty in interpreting the latest data lay in explaining the high Fed funds rate on Monday and Tuesday, a \$200 million a day increase in excess reserves, and the Fed's drain of liquidity on Wednesday.

Ward McCarthy of Merrill Lynch Capital Markets said that the key day was Friday, May 15, when he surmises that banks flocked to the discount window because of speculation on a discount rate increase and tightness in the money markets stemming from a need to pay for recently auctioned Treasury debt.

Additional reserves flowed into the system because Treasury balances turned out to be lower than expected, resulting in a large buildup of excess reserves. The fact that the Fed waited until Wednesday to drain some

Japanese Banks to Reduce Long-Term Prime Rate to 4.9%

Compiled by Our Staff From Dispatches

TOKYO — Japanese banks specializing in long-term financing agreed Friday to reduce their long-term prime rate by 0.3 of a percentage point to a record low of 4.9 percent, beginning Thursday, Long Term Credit Bank said.

The latest cut will be the fourth in the long-term rate this year, with the last reduction, to 5.2 percent, made March 28.

Banks have been setting the rate they charge for loans to their best corporate customers at 0.9 of a percentage point above the coupon rate for five-year bank debentures.

Friday's decision follows a recent decline in yields on five-year bonds issued by three long-term banks, the Industrial Bank of Japan, Long Term Credit Bank and Nippon Credit Bank.

The decision is in line with the government's pledge to stimulate domestic demand to help promote imports and reduce Japan's huge

trade surplus, a major source of friction with its trading partners.

At the recent ministerial meeting of the Organization for Economic Cooperation and Development, Japan and West Germany, both of which have low inflation, were urged to lower long-term interest rates to stimulate economic expansion.

Financial sources said that the interest rate on loans offered by such public institutions as Japan Development Bank, which now stands at 5.2 percent, would also be lowered, along with the rate on housing loans.

Short-term interest rates have fallen to about 3.5 percent as a result of "guidance" by the Bank of Japan.

The prime rate reduction is to be timed with comprehensive economic measures to be worked out by the government next week.

Government officials said that the package would include a \$14.3 billion tax cut and a shopping list of foreign imports, including aircraft and supercomputers. Priority will be given to public works projects, they said.

The officials said that Prime Minister Yasuhiro Nakasone hopes that the economic package will satisfy Japan's allies at the economic summit meeting in Venice, to be held June 8-10.

Mr. Nakasone is to attend the summit with the leaders of Canada, France, Italy, West Germany and the United States.

In his talk with Reagan, Mr. Nakasone pledged to ease trade friction with the United States. He said that Japan had a trade surplus of \$93 billion.

Euro-Commercial Paper

Table with columns: Issuer, Maturity, Bid, Ask, etc. Lists various Euro-commercial paper issues.

Friday's OTC Prices MASDAQ prices as of 4 p.m. New York Time. Via The Associated Press.

Large table of OTC stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

Friday's AMEX Closing. Tables include the nationwide prices to use in the closing on Wall Street and do not reflect floor trades elsewhere.

ACROSS

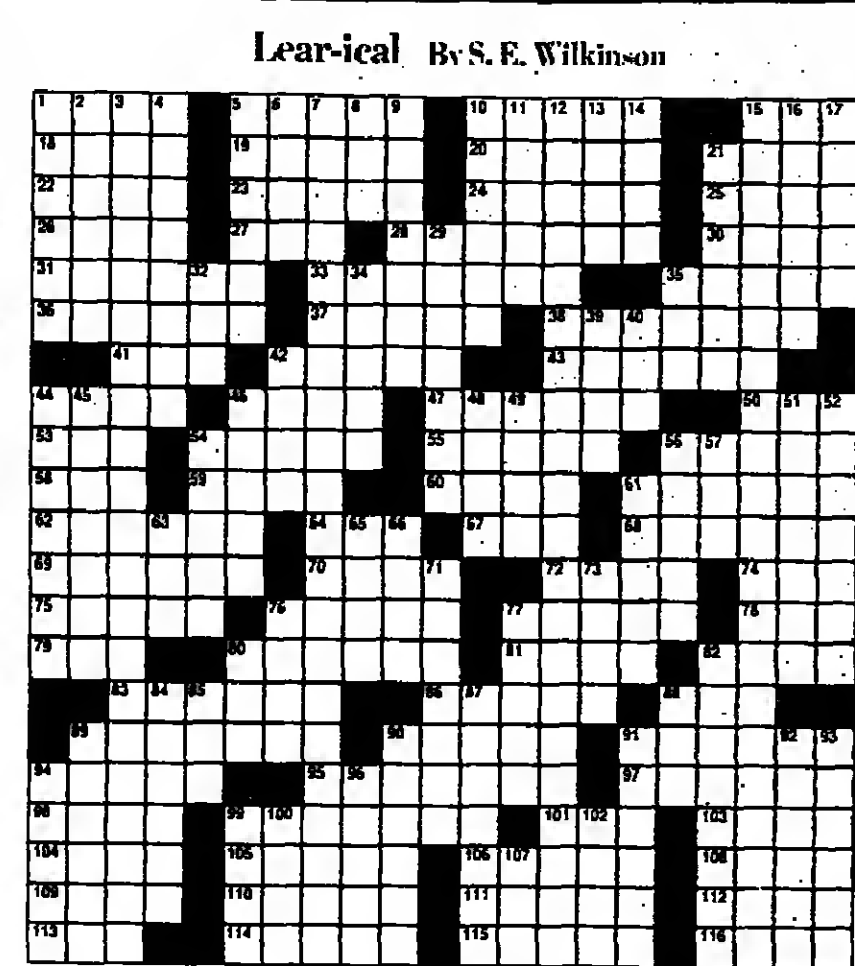
1 Mack and Lewis
5 Droll
10 Repair a tear.
15 Mil. groups
18 Declare openly
19 — surface missile
20 "... who lived in —"
21 Counterfeit
22 Pathway
23 Proto Finish
24 Puffblower
25 Actress Garr
26 Advantage
27 Writer Rand
28 Defensive wall
30 Redact
31 Sir Isaac
33 Siring-and-top game
35 Underwood
36 Steichen's support
37 Black nightshade
38 Ask earnestly
41 Ritter or Beneke
42 Soviet workers' cooperative
43 Composer of "Mikroskops"
44 Funny fence? Bergman role in "Casablanca"

ACROSS

47 Minors' co-signers
50 Astern
53 Wood sorrel
54 Whitman's "Leaves of —"
55 Derby winner's garland
56 Slip-up
58 Hill, to an Arab
59 Speech defect
60 Picked a card
61 Touch gently
62 Obtuse
64 High dudgeon
67 Yggdrasil of Norse myth
68 Maraca
69 Fragrant
70 Cabbagelike plant
72 Ncglect
74 Sensation
75 In safekeeping
76 Part of S.W.A.K.
77 Causeries
78 Wine: Comb. form
79 X
80 Influential English economist

ACROSS

81 What boo birds do
82 Ricochet
83 Almond willows
86 Notched, as a leaf
88 Half or third of a dance
89 Sugary tidbit
90 Prominent
91 The Patrons of Husbandry
94 Dinero
95 Alligator pear
97 Quartered
98 City on the Truckee
99 Tool for marking wood
101 Furthermore
103 Rajah's mate
104 " — Rhythm"
105 Director Ponti
106 Some stars
108 "... like — of steel": Shat.
109 Aussie tennis star
110 Maldives unit
111 Calls for
112 Tender cargo leader
113 Lamb's dam
114 Cambered
115 Boastful
116 Supper, e.g.



© New York Times, edited by Eugene Malachuk.

DOWN

1 Kind of scout
2 Dodger
3 Laughable lyric, with "The"
4 Annual climber
5 — gown
6 Pinguid
7 Nonsense song
8 " — Magic": 1948 song
9 Slack up against
10 Reconnaissance group

DOWN

11 "... You Heard Bark":
12 Laughable lyric, with "The"
13 Turn up
14 Order, old style
15 Nonsense song
16 Diocese part
17 Metalworker
18 Letter-day
19 Victim of Guillotine de Champeaux

DOWN

32 A tic-tac-toe loser
34 Titles
35 Big-A venture
39 Tucks away
40 Future grads
42 Worry word
44 Sauna, for one
45 Faint remover
46 For me —
47 Browning
48 Dickens's Miss Spewlow
49 Applications
51 Director of "B-2"

DOWN

52 Lofty perch
54 Volplane
56 Tugs and punts
57 Can. province
61 Violinist
63 High boot
65 Fat or drop leader
66 Otherwise
71 Perfumc

DOWN

73 Minotaur's milieu
76 Baltic island
77 Three, at times
80 Humorous beginning for plunk or choo
82 A companion of Meschach
84 Leveled by
85 Dog tags, e.g.

DOWN

87 Harle's — Camp
88 — Magnon
89 Knickknack
90 Household
91 Burnished
92 Good-natured
93 Like some birds' nests

DOWN

94 Consumer's concern
96 Platte, La. town
99 Nontunion worker
100 Clauseau's servant
102 U.S. autopio-
107 Venus or Mi-
nerva

THIS FAR AND NO MORE:

A True Story
By Andrew Malcolm, 247 pages. \$17.95. Times Books, 130 Fifth Avenue, New York, N.Y. 10011.

Reviewed by Lee Edson

Of all the diseases that afflict the human species, perhaps the cruellest and most unifying is amyotrophic lateral sclerosis, or Lou Gehrig's disease, named after the powerful Yankee home run hitter of the 1920s and '30s who succumbed to the incurable disease in 1941. Unlike its cousin, multiple sclerosis, which is often marked by numerous remissions and surges of false hope that may go on for decades, amyotrophic lateral sclerosis, at least in its severe form, proceeds rapidly and inexorably to starve its victims of all movement, muscle by muscle, until they are reduced to total paralysis, unable to talk, eat or even breathe without help. Victims of this terrifying but fortunately rare disease — each year there are perhaps two to seven cases per 100,000 people — seldom live more than three years, though Senator Jacob K. Javits of New York

BOOKS

managed to survive five years and died of a heart attack.

What happens to individuals during this brief, tortured span between life and death? How do they cope? And how do others, notably the families, behave toward the dying patients? These questions and their answers form the core of a powerful and unusual book entitled "This Far and No More" written by Andrew H. Malcolm, the Chicago bureau chief of The New York Times.

The central figure of this true story is Emily Bener (a pseudonym), a 40-year-old child psychologist who contracted the disease shortly after the birth of her daughter. It began unobtrusively enough when she lost her footing and stumbled getting out of a taxi. Then it progressed. Over weeks and months the degeneration of the motor nerves, cell in her spinal cord and in a part of her brain weakened her until she was forced into a wheelchair. Then, as the ravages of the disease continued, it made her helplessly bedridden and dependent on machines for feeding and breathing. The tragedy, or perhaps the

dark side of a divine irony, is that her mind remained clear and alert throughout the ordeal, giving her in effect a ring-side seat at her own dissolution, whose grim progress she recorded faithfully in her diary.

As each turn of the disease occurred, the author chronicled her reactions and the psychological effects on a loving husband, her children and other family members. First there was a denial of reality, a sense of disbelief in being doomed in this way (it would end in a short while, she said, and I will go back to picking up my career and living normally). This stage was followed by rage at having to undergo the torture of an unfair fate. In time there was a slow adjustment to reality often punctuated by the hope of beating the disease, indeed, of being honored as the first patient to overcome it. The realization that nothing worked, and there were no miracles, special diets and prayers. Eventually, fed by a straw through her nose, breathing with a respirator, blinking her eyes to communicate, her body a shrunken shell, she finally asked to die.

But the United States' medical-legal ethics complex refused to accept this solution, at least not without a struggle. Only after weeks of discussion with the help of lawyers and understanding doctors was the request granted, and it was her husband who ultimately helped pull the plug.

The wonder of this compelling story is that, even though you know the ending, you cannot let go once you begin to read. Intertwoven with the text are carefully chosen passages from her diary, which she writes almost to the very end with any means at her disposal — an electric larynx that transforms sounds into words, her barely moving lips which somebody reads and transcribes, her expressive eyes, and finally with a controlled twitching of the head to activate a printer.

It is a grim and sad story, well told. However, those who need a message from this severe and relentless test of the human spirit probably be disappointed. The author, retaining his role as reporter and storyteller to the end, leaves that to others.

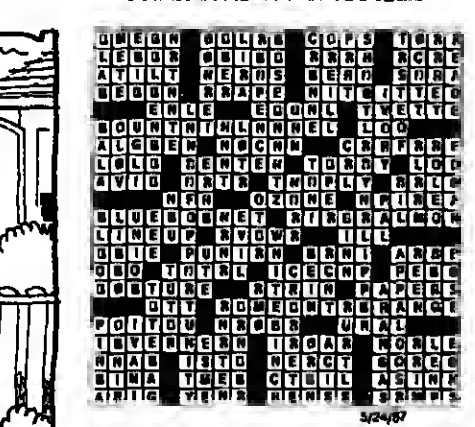
Lee Edson, who has written seven books and numerous articles on science and medicine, wrote this review for The New York Times.

DENNIS THE MENACE



"GUESS WHAT! MR. WILSON HAD A CONTEST AN' HE SAYS I WON A TRIP TO SUMMER CAMP!"

Solution to Last Week's Puzzle



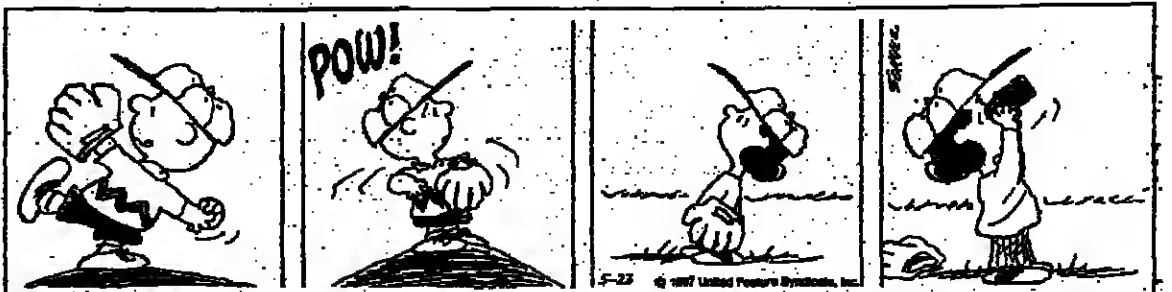
WEATHER

| EUROPE | | ASIA | |
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| Algeria | 63-70 | Beijing | 63-70 |
| Amsterdam | 54-62 | Hong Kong | 72-80 |
| Athens | 63-70 | Manila | 78-85 |
| Bombay | 78-85 | New Delhi | 78-85 |
| Buenos Aires | 63-70 | Shanghai | 63-70 |
| Calcutta | 78-85 | Singapore | 78-85 |
| Cairo | 63-70 | Tokyo | 63-70 |
| London | 54-62 | Yokohama | 63-70 |
| Madrid | 63-70 | | |
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| Stockholm | 54-62 | | |
| Taipei | 63-70 | | |
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World Stock Markets

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PEANUTS



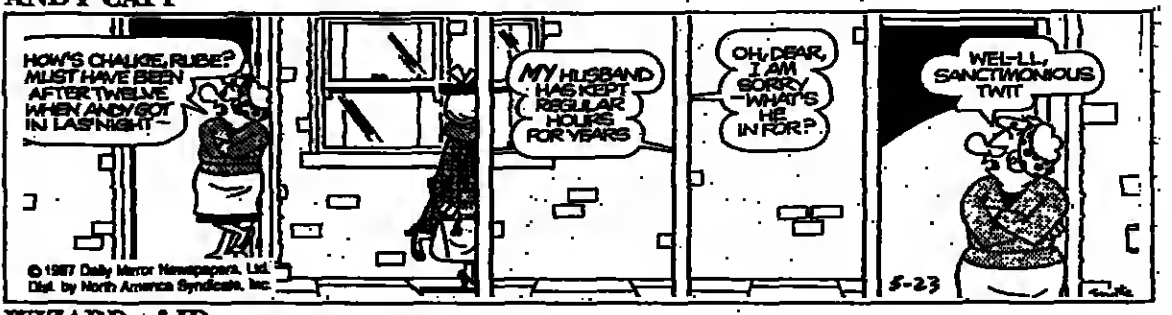
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GARFIELD



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SPORTS

Snyder's 3 Home Runs Lead Indians Past Twins

CLEVELAND — Cory Snyder, mired in a slump, found that there really is power in positive thinking. Snyder followed advice from teammate Steve Carlton on Thurs-

day and imagined himself belting the ball. He did, hitting three home runs to power the Cleveland Indians to a 6-3 victory over the Minnesota Twins.

BASEBALL ROUNDUP

Phillies 6, Dodgers 3: In the National League, Philadelphia, Jeff Stone hit a two-run homer and Juan Samuel and Luis Aguayo added solo shots for the Phillies.

Cubs 8, Reds 7: In Chicago, Bob Dernier lined a two-run home run off John Franco in the ninth inning for the Cubs. Eric Davis hit a major-league leading 16th homer and drove in five runs for Cincinnati.

Cardinals 7, Braves 2: In Atlanta, Bob Forsch, appearing in his 400th game, drove in two runs and pitched seven innings for St. Louis.



Dwight Gooden pitching in Norfolk, Virginia, in his third start since undergoing cocaine rehabilitation. He went six innings for Class AAA Tidewater in an 8-5 victory over Maine, giving up nine hits and three runs. The New York Mets hope Gooden can return to the majors early in June.

Celtics Stop Pistons Again Despite 36 By Thomas

BOSTON — There comes a time in every Boston Celtics playoff series when history rears its hoary head and the losers find out what impossible long shots they are.

NBA PLAYOFFS

and it's still a best-of-seven series, but the Celtics haven't lost any of the 15 playoff series in which they've had 3-0 leads.

With that in mind, the Garden crowd celebrated by chanting "Beat L.A.," the Los Angeles Lakers, who lead Seattle, 2-0, in the Western Conference finals.

Isiah Thomas looked abashed at the end of Detroit's 110-101 loss to Boston in the Eastern Conference final series.



Isiah Thomas looked abashed at the end of Detroit's 110-101 loss to Boston in the Eastern Conference final series.

U.S. Smashes Ring That Smuggled Steroids

By Jim Schachter Los Angeles Times Service

SAN DIEGO — U.S. prosecutors have said they shattered an international drug network, headed by an Olympic track medalist, that claimed to control 70 percent of the \$100 million U.S. illicit market in anabolic steroids, the bulk-producing drugs favored by many amateur and professional athletes.

A 110-count federal grand jury indictment, unsealed Thursday, said that the ring manufactured a variety of steroids — some of them impure or mislabeled — at a legal drug plant in Tijuana, Mexico and smuggled them across the U.S. border at San Ysidro, California.

Among the suspects arrested Thursday by federal agents was Patrick Jacobs, 31, associate strength coach at the University of Miami in Florida, who was named in the indictment as a distributor for the alleged drug ring.

U.S. Attorney Peter E. Nunez said that Jacobs' network's mastermind was David Jenkins, 35, of Carlsbad, California, a member of Britain's silver medal-winning 1,600-meter relay team in the 1972 Munich Olympics.

Steroids are legally available in the United States only by prescription for treatment of a handful of conditions, including breast cancer and some complications of kidney failure.

Investigators said that the demand in the United States for illegal steroids has swelled in conjunction with two phenomena: a crackdown by the FDA on the domestic manufacture of the drugs, and the growing demand for steroids among not only athletes in organized competition, but among average weekend athletes.

Jenkins, a British subject, was arrested April 28 and is being held without bail at the Metropolitan Correctional Center in San Diego, according to his attorney, Robert Ormes. At least 12 of the 34 defendants named in the indictment had been arrested by midday Thursday.

Boating Ball Boy Will Call It Quits

United Press International

SHREWSBURY, England — Fred Davies, soccer's oldest ball-boy at 76 and the only one who needs a boat for the job, has decided to hang up his paddle.

For over 40 years, Davies has been saving lost balls for Shrewsbury Town, a second division club. Every time a match ball is kicked over the grandstand into the river Sever, Davies rushes through the turnstiles and paddles to the rescue with his homemade coracle before the ball vanishes over a weir half a mile (800 meters) downstream.

McEnroe's clay court form has shown signs of coming together in Düsseldorf of this week at the World Team Cup.

After practicing with Rod Laver in Rome and turning up in Marbella, Martina Navratilova will not be lacking physical preparation as she tries to claim the French Open as her first tournament title of 1987.

But clay is not the best surface for Navratilova to prove she can withstand the twin challenge of Chris Evert, the defending champion, and 17-year-old Steffi Graf. Both have beaten her this year.

MARIETTA, Georgia — George Burns shot an 8-under-par 64 on Thursday to seize a one-stroke first-round lead over Davis Love 3rd in the Atlanta Golf Classic.

At Indy, the Thrill of Speed, the Imminence of Death

By Tony Kornheiser Washington Post Service

WASHINGTON — Standing atop the knee-high pit wall, not five feet (1.5 meters) from the track itself, I leaned out hesitantly, craning to see the car I knew was approaching from the thunderous rumbling in the distance.

It was the 13th time in Indiana history a player has hit three homers in a game.

One of the crewmen who ran to help Savage was Armando Teran, 23, who was working in Graham McRae's pit. Teran was fatally hit from behind by a fire truck also rushing to Savage's aid.

ing and time trials for this year's Indy. There have been no deaths, but surely some are coming. Thirty-six drivers have died at Indy, six of the 33 drivers who started the 1973 race. It's disturbing to think that boxers sometimes try to kill each other in the ring. But in auto racing, they sometimes give the impression they want to kill themselves.

Gordon Johncock won the 1973 Indianapolis 500, which was ended because of rain after 332.5 miles. I left the racetrack at 9 that night and never went back.

to a hospital by the helicopter they kept trackside for such emergencies, but he died five weeks later.

I was in Indianapolis covering the championship series of the American Basketball Association, and I'd gone to the track because a friend insisted that regardless of how lunatic I thought auto racing was, I had to go watch an Indy car run and get close enough to feel the palpable surge of speed as the car roared by.

It went by me in a heartbeat. It was a bright, buttery yellow, and it had a number on the side that was just a blur. I stood there, shivering as it passed, thrilled, but paralyzed by the terrifying sound of the engine and the raw, uncompromised power of speed.

Speed had always unnerved me. I didn't drive fast, and I didn't like riding with people who did. But watching this car whoosh by me, slung low like a panther, this was different, exhilarating. I wanted to see this again. I wanted to see it for real, the full flight of 33 racers going at it, hornets swarming into the first turn, louder than air raid sirens.

The next May, I went to the Indianapolis 500 for the first time, undeterred by the fact that a veteran driver, 46-year-old Art Pollard, was killed in qualifying. Death was a fact of life for Indy-car drivers, a shadow on them all the time.

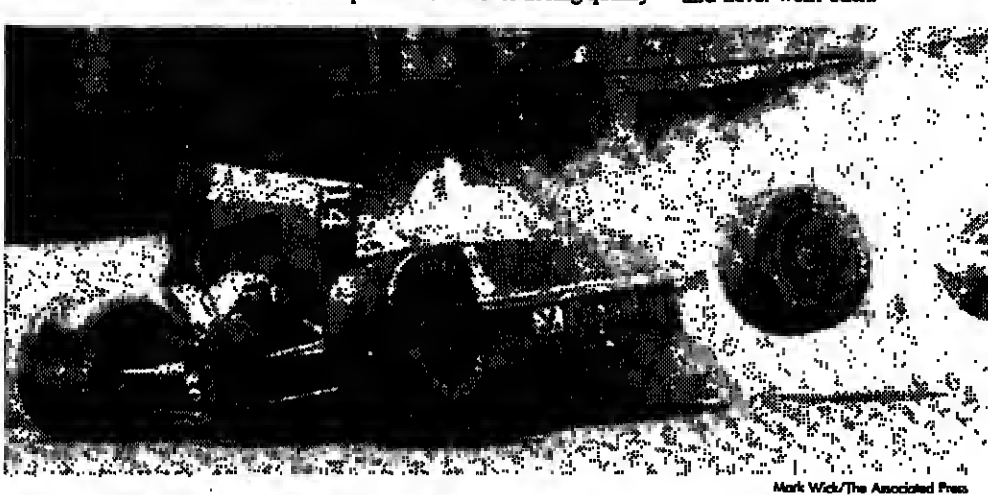
I became infatuated with the drivers and with Gasoline Alley, the garage area where they related as the mechanics fine-tuned the cars. Some of the drivers were reclusive, suspicious types, but many were confident and dared to create the impression that anything was possible with them, even conversation.

More so than the grimmer stock-car circuit, the Indy 500 attracted a stylish, manicured set of hangers-on, befitting the buffed sleekness of the machines. Gasoline Alley had a surprising European elegance, a dry-wit cocktail hour sophistication as evidenced by drivers like David Hobbs, a raffish Briton; Mark Donohue, a Brown University graduate; and Peter Revson, the cosmetics heir. Hobbs still races a bit. Donohue and Revson are dead.

The two days before the race the central Indiana sky was low and thick, and the morning of the race it rained, delaying the start four hours. Not five seconds after the race began, heading toward the first turn, two cars in the sixth row — David (Salt) Walters and Jerry Grant — brushed wheels. Walters' flew topsy-turvy into the air, landed, veered right, towards the crowd, crashed into the wall there, shearing off two concrete poles, and came apart violently, showering sparks and flames over the track and onto the spectators as it disintegrated.

Ten cars were entangled in the mess, baptized in the sudden fire of the Indy. Nine of the drivers escaped serious injury and were working on their cars within hours. Twelve spectators were hurt or burned — none seriously — struck by chunks of the cars that passed through a flimsy wire fence. Only Walters, a 25-year-old rich kid from Dayton driving a car his daddy owned, was badly hurt, burned, but said to be recovering nicely.

The race was not restarted that day; a cold, furious rain washed the track of the oil, blood and everything else but the solid debris from the wrecks. Nor was the race run the next day; the drizzle began as the cars were on their pace laps and fell for hours. Five successive days brought rain. The drivers were par-



A.J. Foyt, in a Lola-Cosworth, crashing into the wall at the first turn of the Indianapolis Motor Speedway during the final practice session for Sunday's Indy 500. Emerson Fittipaldi also crashed and had to switch to a back-up car. Both drivers were unharmed.

SCOREBOARD

Table with 3 columns: Auto-Racing, Basketball, Baseball

Indy 500 Lineup

NBA Playoffs

Major League Standings

Playoff Schedule

Soccer

Thursday's Line Scores

Transition



Easy Opener for New Zealand New Zealand's Michael Jones runs over Italy's Massimo Mascioletti during the All Blacks' 70-6 victory Friday in Auckland in the opening match of rugby's World Cup. The score and score difference set international match records.

Wilander and His Nemesis, Mecir, Loom as Favorites at French Open

By Richard Evans Special to the Herald Tribune

FLORENCE — When his encyclopedic brain runs through the draw for the French Open this weekend, Mats Wilander will be searching for a particular name.

After 16 career meetings (10-6 to Lendl with a 4-4 split on clay), Wilander knows he can beat the U.S.-based Czechoslovak provided he maintains the level of unblinking consistency he displayed while winning the Italian Open last week.

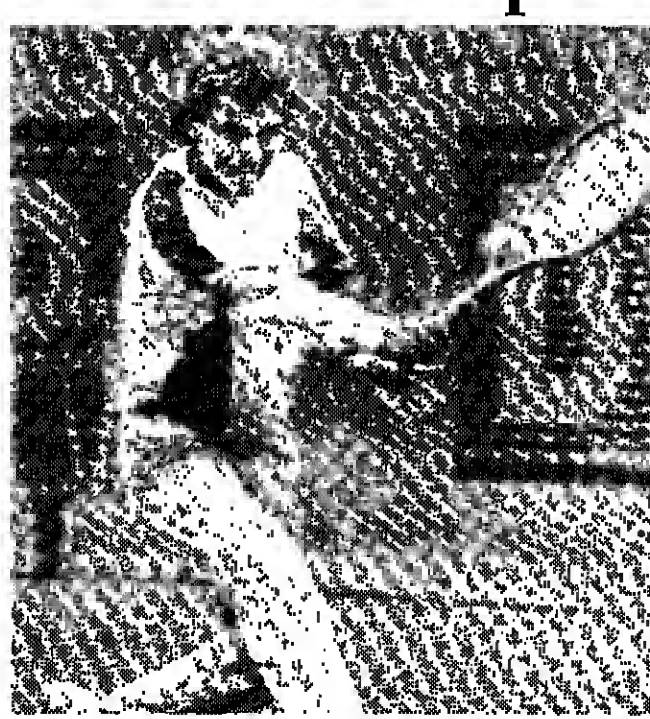
That performance brought the 22-year-old Swede, who was champion in Paris in 1983 and 1985, back to his highest level of intensity after a year in which he was distracted by the process of getting engaged and married. In this form he becomes, at the very least, joint favorite with the formidable Czechoslovak to win the world's premier clay court title.

Wilander will be looking for Boris Becker or Stefan Edberg, whose serve-and-volley styles tend to come unraveled when they face top-class clay court specialists.

Not the player Wilander will be hoping is as far away from his quarter of the draw as possible is Miloslav Mecir, the bewhiskered, sleepy-eyed Czechoslovak who beat Lendl in the final of the Players International at Key Biscayne in March before outplaying John McEnroe in the World Championship Tennis final in Dallas.

Wilander and Mecir were drawn in opposite halves of the field. Agence France-Presse reported Friday from Paris. That assures that they cannot meet before the final.

Not that Wilander will be too concerned about what Mecir has done to other players in the course of his four title-winning performances on the Grand Prix tour this year although, having an insatiable hunger for the game's facts and



Mats Wilander practicing at Roland Garros Stadium.

figures, Wilander will have noted and stored them. It is what Mecir has done to Wilander that must make this taut, placid man turn in his sleep.

For Wilander, Mecir is a puzzle still to be solved, as infuriating as a Czechoslovak version of Rubik's cube. Having established himself as a new and intriguing force in the game in 1985 with crushing victories over Wilander in Hamburg and Rome, Mecir has emerged as the thinking man's tennis player — one of those rare performers who can add chapters to the text book of how to move a ball around a court.

His strokes have a confusing, almost hypnotic quality and, along with a few other Swedes, Wilander has been more confused than most.

Mecir, who tends to be a worrier, has not been happy with his clay court form recently. But Wilander will not be reassured by any sign of pessimism on the part of a man who has already earned \$464,000 in prize money this year.

Provided he stays free of injury, Both have beaten her this year.

INTERNATIONAL CLASSIFIED (Continued from Page 5) ESCORTS & GUIDES LA VENTURA LONDON ESCORT SERVICE GENEVA ESCORT ZURICH - NATHALIE CAPRICE-NY DUTCHESS

POSTCARD

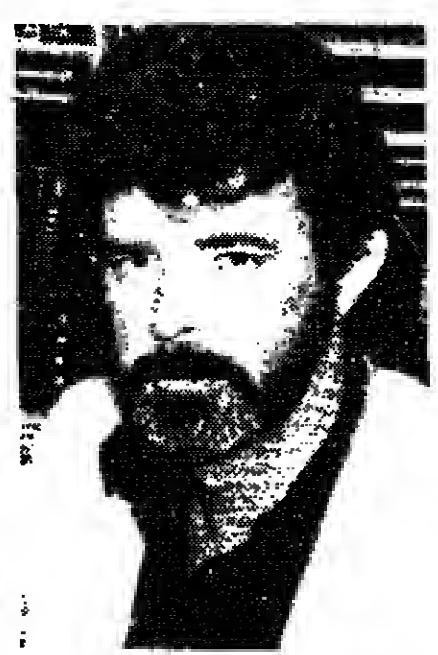
Lunching Early in Lyon

By Julian Nundy
Lyon — At sunset, the pastel shades of Old Lyon take on a Florentine beauty, reflected in the ripples of the Saône. Dominated by the Basilica of Notre-Dame on the Fourvière hill, Lyon takes easily to its role as France's second city or as some locals would have it — as "the deputy capital."

By Aljean Hammett
LOS ANGELES — One decade ago, the Millennium Falcon sailed the skies of the Galactic Empire for the first time — and transformed the motion picture industry.

'Stars Wars': The Lucas Saga

George Lucas effectively moved the summer forward two weeks, from the middle of June to the end of May, said Tom Sherak, president of distribution at 20th Century-Fox.



George Lucas

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No Head Count for Hess

British military authorities on Friday barred a West German census taker from entering Allied-occupied Spandau prison in West Berlin to include Rudolf Hess in the current nationwide head count.

wood's Golden Age has been ordered to return 7,000 pictures to her father. Los Angeles County Superior Court Judge Norma R. Downs ruled that the photos should be returned to Robert W. Coburn, 86, even though his daughter testified he hated Hollywood and had thrown his collection out. At issue were studio portraits of some of Hollywood's biggest stars, so crisply photographed that a poster-sized portfolio introduced as evidence drew gasps from court observers.

But Lyon is much more than just praying, working and earning money. With full justification, it is known as one of the centers of French cuisine. The restaurants from the famous and multi-starred to the simplest bistrot, are welcoming and hustling. Always full, somehow they are never so full that a free table cannot be found.

This month, the trial of Klaus Barbie, for crimes committed during the World War II Nazi occupation of the city, gave Lyon a chance to put itself on the map. The city authorities planned a major promotion campaign, and did not forget to include two restaurant guides in an elaborate press kit issued to the nearly 1,000 accredited journalists and broadcasting technicians who arrived for the opening.

The "Star Wars" trilogy has sold more than \$1.2 billion worth of tickets and \$1.5 billion worth of books, toys, pillowcases, T-shirts, posters, and lunchboxes. Although "E.T." has replaced "Star Wars" as the world's biggest box-office success, George Lucas's trilogy remains, according to Lucasfilm's vice president of licensing, Howard Roffman, the most successful "boys' toys phenomenon."

George Lucas still remembers what he hoped for them; that "Star Wars" would make enough money to allow him to produce a sequel. "Star Wars" was actually "Episode IV: A New Hope" of a nine-film saga that had played in his mind for years as a serial.

As to the other six installments of "Star Wars," he said, "I'm kicking it around in my head. I keep mulling the story around to make it more interesting to myself, to bring tones and textures that excite me."

Another footnote to the Gary Hart-Donna Rice story: Jim McCoie and Tom Fiedler, two of the Miami Herald reporters who stalked out Hart's Washington town house for a story that brought his presidential campaign to an end, have donated the tapes they were wearing to a University of Missouri School of Journalism fund-raising auction.

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International Business Message Center: BUSINESS OPPORTUNITIES: STOCK OF WOVEN FABRICS: DELAWARE, PANAMA, LIBERIA CORPORATION FORMATION.

AUTOMOBILE MARKET: FERRARI 348 GT4B 1976: The fastest one: 188 mph, \$85,000. BMW 7 Series: 2500 cc, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987.

MOVING: WORLDWIDE MOVING: PARIS: (1) 43 43 28 64. BRUSSELS: (1) 43 43 28 64. AMSTERDAM: (1) 43 43 28 64.

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EXCLUSIVE DAKS CLOTHES FOR MEN AND WOMEN AT DAKS CORNER SHOPS. LONDON, PARIS, MUNICH, GENEVA, HONG KONG.

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